



# Study on the uptake of Simplified Cost Options (SCO) and Financing Not Linked to Costs (FNLC) for the Common Provisions Regulation (CPR) Funds in the 2014-2020 and 2021-2027 programming periods

Final Report

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Final report

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## Table of contents

|   |           |
|---|-----------|
| <b>Acronyms.....</b>  | <b>5</b>  |
| <b>Introduction .....</b>   | <b>6</b>  |
| <b>Executive summary.....</b>   | <b>7</b>  |
| <b>Key findings and lessons learnt .....</b>                                    | <b>10</b> |
| <b>1. Methodology.....</b>  | <b>19</b> |
| 1.1. Structuring data collection .....  | 20        |
| 1.2. Data collection .....  | 21        |
| 1.3. Checking and cleaning .....  | 23        |
| 1.4. Analysis .....   | 25        |
| 1.4.1. Programme budget covered by SCO/FNLC .....                               | 25        |
| 1.4.2. Type of SCO/FNLC.....  | 26        |
| 1.4.3. Type of policy area, cost and beneficiary .....                          | 26        |
| 1.4.4. Questions to gather stakeholder perceptions .....                        | 27        |
| <b>2. The response rate .....</b>   | <b>27</b> |
| 2.1. Response to the questionnaire addressed to the programme authorities<br>27 |           |
| 2.2. Responses to questionnaire for beneficiaries .....                         | 33        |
| <b>3. DG AGRI Fund – EAFRD.....</b>   | <b>34</b> |
| 3.1. SCO use in 2014-2020 .....   | 34        |
| 3.1.1. Types of SCO used in 2014-2020 .....                                     | 35        |
| 3.1.2. EAFRD measures covered by SCOs in 2014-2020.....                         | 36        |
| 3.1.3. Beneficiaries covered by SCOs in 2014-2020.....                          | 37        |
| 3.1.4. Types of costs covered by SCOs in 2014-2020 .....                        | 37        |
| 3.2. EAFRD stakeholder perceptions of SCO.....                                  | 39        |
| 3.2.1. Advantages, challenges and reasons for not using SCO .....               | 39        |
| 3.2.2. Perception of beneficiaries.....   | 40        |
| <b>4. DG EMPL Funds – ESF/ESF+ .....</b>  | <b>42</b> |

|  |           |
|--|-----------|
| 4.1. Key findings .....  | 42        |
| 4.2. Use of SCOs in 2014-2020 .....                                  | 42        |
| 4.2.1. Types of SCO used in 2014-2020 .....                          | 44        |
| 4.2.2. Thematic objectives covered by SCOs in 2014-2020 .....        | 46        |
| 4.2.3. Beneficiaries covered by SCOs in 2014-2020 .....              | 47        |
| 4.2.4. Type of costs covered by SCOs in 2014-2020 .....              | 47        |
| 4.3. Use of SCOs in 2021-2027 .....                                  | 48        |
| 4.3.1. Types of SCO used in 2021-2027 .....                          | 50        |
| 4.3.2. Specific Objectives covered by SCOs in 2021-2027 .....        | 53        |
| 4.3.3. Beneficiaries covered by SCOs in 2021-2027 .....              | 54        |
| 4.3.4. Type of costs covered by SCO in 2021-2027 .....               | 54        |
| 4.4. ESF/ESF+ stakeholder perceptions of SCO .....                   | 56        |
| 4.4.1. Advantages and challenges .....                               | 56        |
| 4.4.2. Involvement of the audit authority in defining SCOs .....     | 59        |
| 4.5. Use of FNLC in ESF+ .....                                       | 60        |
| 4.5.1. Types of FNLC used in 2021-2027 .....                         | 62        |
| 4.5.2. Specific Objectives covered by FNLC in 2021-2027 .....        | 65        |
| 4.5.3. Advantages, challenges and reasons for not using FNLC .....   | 65        |
| 4.5.4. Involvement of the audit authority in defining the FNLC ..... | 68        |
| 4.6. Perception of beneficiaries .....                               | 69        |
| <b>5. DG HOME Funds - AMIF/BMVI/ISF .....</b>                        | <b>71</b> |
| 5.1. Use of SCOs in AMIF .....                                       | 71        |
| 5.1.1. Types of SCO used in 2021-2027 .....                          | 73        |
| 5.1.2. Specific Objectives covered by SCO in 2021-2027 .....         | 74        |
| 5.1.3. Beneficiaries covered by SCOs in 2021-2027 .....              | 74        |
| 5.1.4. Type of costs covered by SCOs in 2021-2027 .....              | 75        |
| 5.2. AMIF stakeholder perceptions of SCO .....                       | 76        |
| 5.2.1. Advantages, challenges and reasons for not using SCO .....    | 76        |
| 5.2.2. Involvement of the audit authority in defining SCOs .....     | 77        |
| 5.2.3. Perception of beneficiaries .....                             | 78        |
| 5.3. Use of SCOs in BMVI .....                                       | 80        |
| 5.3.1. Types of SCO used in 2021-2027 .....                          | 82        |
| 5.3.2. Specific Objectives covered by SCOs in 2021-2027 .....        | 83        |
| 5.3.3. Beneficiaries covered by SCOs in 2021-2027 .....              | 83        |
| 5.3.4. Types of costs covered by SCOs in 2021-2027 .....             | 84        |
| 5.4. BMVI stakeholder perceptions of SCO .....                       | 84        |
| 5.4.1. Advantages, challenges and reasons for not using SCO .....    | 84        |
| 5.4.2. Involvement of the audit authority in defining SCOs .....     | 86        |
| 5.4.3. Perception of beneficiaries .....                             | 87        |
| 5.5. Use of SCOs in ISF .....  | 89        |
| 5.5.1. Types of SCO used in 2021-2027 .....                          | 91        |

|   |            |
|---|------------|
| 5.5.2. Specific Objectives covered by SCOs in 2021-2027 .....     | 92         |
| 5.5.3. Beneficiaries covered by SCO in 2021-2027.....             | 92         |
| 5.5.4. Types of costs covered by SCOs in 2021-2027 .....          | 93         |
| 5.6. ISF stakeholder perceptions of SCOs.....                     | 93         |
| 5.6.1. Advantages, challenges and reasons for not using SCOs..... | 93         |
| 5.6.2. Involvement of the audit authority in defining SCOs.....   | 95         |
| 5.6.3. Perception of beneficiaries.....                           | 96         |
| <b>6. DG MARE Funds – EMFF/EMFAF .....</b>                        | <b>98</b>  |
| 6.1. Key findings .....   | 98         |
| 6.2. Use of SCOs in 2014-2020.....                                | 98         |
| 6.2.1. Types of SCO used in 2014-2020.....                        | 99         |
| 6.2.2. Union priorities covered by SCOs in 2014-2020.....         | 101        |
| 6.2.3. Beneficiaries covered by SCO in 2014-2020.....             | 101        |
| 6.2.4. Types of costs covered by SCOs in 2014-2020 .....          | 101        |
| 6.3. Use of SCOs in 2021-2027 .....                               | 102        |
| 6.3.1. Types of SCO used in 2021-2027 .....                       | 104        |
| 6.3.2. Specific Objectives covered by SCOs in 2021-2027 .....     | 105        |
| 6.3.3. Beneficiaries covered by SCO in 2021-2027.....             | 105        |
| 6.3.4. Types of costs covered by SCOs in 2021-2027 .....          | 106        |
| 6.4. EMFF/EMFAF stakeholder perceptions of SCO .....              | 107        |
| 6.4.1. Advantages and challenges related to SCO.....              | 107        |
| 6.4.2. Involvement of the audit authority in defining SCOs.....   | 110        |
| 6.4.3. Perception of beneficiaries.....                           | 110        |
| <b>7. DG REGIO Funds - ERDF/CF/JTF .....</b>                      | <b>113</b> |
| 7.1. Use of simplification measures in ERDF.....                  | 113        |
| 7.1.1. Key findings .....   | 113        |
| 7.1.2. Use of SCOs in 2014-2020 .....                             | 113        |
| 7.1.3. Use of SCOs in 2021-2027 .....                             | 118        |
| 7.1.4. ERDF programme authorities' perceptions of SCOs .....      | 125        |
| 7.1.5. Use of FNLC in ERDF.....                                   | 130        |
| 7.2. Use of SCO in CF .....                                       | 138        |
| 7.2.1. Key findings .....   | 138        |
| 7.2.2. Use of SCOs in 2014-2020 .....                             | 138        |
| 7.2.3. Use of SCOs in 2021-2027 .....                             | 142        |
| 7.2.4. CF programme authorities' perceptions of SCOs.....         | 148        |
| 7.2.5. Involvement of the audit authority in defining SCOs.....   | 152        |
| 7.3. Use of SCO in JTF.....                                       | 153        |
| 7.3.1. Types of SCO used in 2021-2027 .....                       | 155        |
| 7.3.2. Specific objectives covered by SCOs in 2021-2027 .....     | 158        |
| 7.3.3. Beneficiaries covered by SCOs in 2021-2027 .....           | 158        |
| 7.3.4. Types of costs covered by SCOs in 2021-2027 .....          | 158        |

|   |            |
|---|------------|
| 7.3.5. JTF programme authorities' perceptions of SCO .....      | 159        |
| 7.3.6. Involvement of the audit authority in defining SCOs..... | 161        |
| 7.4. REGIO Fund beneficiary perceptions of SCOs.....            | 162        |
| <b>8. Annex – questionnaires .....</b>                          | <b>164</b> |
| 8.1. 2021-2027 questionnaire structures .....                   | 165        |
| 8.2. 2014-2020 questionnaire structures .....                   | 169        |
| 8.3. Structure of the questionnaire for beneficiaries .....     | 171        |

## Acronyms

|        |  |
|--------|--|
| AGRI   | Directorate General for Agriculture and Rural development        |
| AMIF   | Asylum, Migration and Integration Fund                           |
| BMVI   | Border Management and Visa Instrument                            |
| CCI    | Character Code Identifying – programme identifier                |
| CF     | Cohesion Fund  |
| EAFRD  | European Agricultural Fund for Rural Development                 |
| EMFAF  | European Maritime, Fisheries and Aquaculture Fund                |
| EMFF   | European Maritime and Fisheries Fund                             |
| EMPL   | Directorate-General for Employment, Social Affairs and Inclusion |
| ERDF   | European Regional Development Fund                               |
| ESF(+) | European Social Fund (Plus)                                      |
| FNLC   | Financing Not Linked to Cost                                     |
| HOME   | Directorate-General for Migration and Home Affairs               |
| ISF    | Internal Security Fund   |
| JTF    | Just Transition Fund   |
| MARE   | Directorate General for Maritime affairs and Fisheries           |
| OP     | Operational Programme  |
| REGIO  | Directorate-General for Regional and Urban Policy                |
| SCO    | Simplified Cost Option   |
| SFC    | System for Fund Management in the European Union                 |

## Introduction

This report is the final deliverable in the study on the uptake of Simplified Cost Options (SCO) and Financing Not Linked to Costs (FNLC) for Common Provisions Regulation (CPR) Funds in the 2014-2020 and 2021-2027 programming periods.

The report highlights key findings on the uptake of simplification measures across two programming periods i.e. 2014-2020 and 2021-2027. It distinguishes between use at a lower level (between programme authorities and beneficiaries) and at an upper level (between programme authorities and the European Commission). These findings are primarily based on data from the survey of programme authorities from 27 February to 31 May 2024. In addition, the report includes an analysis of qualitative responses regarding reasons for using and not using SCO/FNLC, as well as perceptions of their advantages and hindrances to their use. Furthermore, the report presents an analysis of qualitative data collected through another survey, of CPR Funds beneficiaries, between July and August 2024. Finally, key lessons have been elaborated.

The document also has sections with information and analysis for funds under the responsibility of individual Directorates-General (DGs) as follows:

- Chapter 1 - data collection and analysis methodology.
- Chapter 2 - survey responses across funds and programming periods.
- Chapter 3 - SCO under EAFRD in 2014-2020.
- Chapter 4 - SCO and FNLC under ESF and ESF+ for the programming periods 2014-2020 and 2021-2027 respectively.
- Chapter 5 - SCO under AMIF, BMVI and ISF in 2021-2027.
- Chapter 6 - SCO under EMFF and EMFAF for 2014-2020 and 2021-2027 respectively.
- Chapter 7 - SCO and FNLC under CF, ERDF and JTF for 2014-2020 and 2021-2027 respectively.

## Executive summary

This study examines the use of Simplified Cost Options (SCOs) and Financing Not Linked to Costs (FNLC) by aggregating schemes classified as 'in use' and 'programmed' across two levels:

- Upper level: Between the European Commission and Member States.
- Lower level: Between programme authorities and beneficiaries.

The analysis covers both the 2014-2020 and 2021-2027 programming periods, with three main objectives:

- Mapping and quantifying the use of SCOs and FNLC during the 2014-2020 programming period for ERDF, CF, ESF, EAFRD, and EMFF.
- Mapping and quantifying the use of SCOs and FNLC for the 2021-2027 programming period across ERDF, CF, ESF+, JTF, EMFAF, AMIF, ISF, and BMVI, differentiating between those already 'in use' and those 'programmed' for future implementation.
- It is important to highlight that the study applied a very stringent definition of what qualifies as 'programmed.' Only schemes already 'under development' by managing authorities were classified as programmed. This means that schemes not yet in the development phase by managing authorities at the time of the survey (spring 2024) were not included.
- Exploring the advantages of SCOs and FNLCs, identifying barriers to their implementation and offering recommendations to improve their adoption during 2021-2027 and post-2027 programming periods.

### Methodology

Data collection relied primarily on a survey targeting programme authorities across all CPR programmes implemented in 2014–2020 and 2021–2027. This survey was conducted between 27 February and 31 May 2024.

A second survey aimed at a sample of CPR Funds beneficiaries was conducted from 1 July to 31 August 2024.

### Response rate

- Programme Authorities Survey: Over 740 completed questionnaires were received. Response rates were above 50% for most funds, except EMFF/EMFAF (47%) and EAFRD (30%). The response rate ranged from 57% for JTF (26 responses from 46 programmes) to 87% for CF (41 responses from 47 programmes).
- Beneficiaries Survey: Over 1 770 completed questionnaires were received from 26 Member States, 818 from beneficiaries of REGIO Funds (i.e., CF, ERDF, Interreg, JTF), 699 from ESF/ESF+ beneficiaries, 114 from EMFF/EMFAF beneficiaries, 63 from EAFRD beneficiaries and 81 from HOME Funds beneficiaries (i.e., AMIF, BMVI, ISF).

### Quality Assurance

Survey data underwent rigorous checks to ensure consistency and accuracy, particularly concerning amounts covered by simplification schemes. Respondents were recontacted to resolve inconsistencies and quality checks continued until September 2024. Of the more than 740 completed questionnaires, 612 passed the quality check. The response rate, considering only programmes that passed the quality check, exceeds 50% for all Funds except for EAFRD (29%), EMFF/EMFAF (40%), and ESF/ESF+ (42%).

Preliminary findings were shared with stakeholders including the CPR Expert Group, ESF+ Committee, REGIO Simplification matrix, ESF+ Simplification Ambassadors' Network and transnational simplification networks in Malmö (October 2024) and Marseille (November 2024). Stakeholder feedback helped consolidating the study's results and drawing the related conclusions.

### **Key Findings on the Uptake of Simplification Measures**

- 2014–2020 Programming Period:
  - CF: 0.5% of the total budget (EUR 0.38 billion).
  - EAFRD<sup>1</sup>: 4.6% (EUR 9.2 billion).
  - EMFF: 7.7% (EUR 0.6 billion).
  - ERDF: 6.7% (EUR 20.5 billion).
  - ESF: 31.5% at the lower level (EUR 44.2 billion) and 6.5% at the upper level under Article 14(1) of (ESF) Regulation 1304/2013 (EUR 9.2 billion).
- 2021–2027 Programming Period:
  - There is a significant increase in the budget covered by simplification measures. For example: ESF coverage increased from EUR 44.2 billion to EUR 70.7 billion (+63%); ERDF from EUR 20.5 billion to EUR 37.5 billion; CF from EUR 0.38 billion to EUR 1.1 billion; Fisheries fund from EUR 0.6 billion (EMFF) to over EUR 1 billion (EMFAF).
  - Home Funds (AMIF, BMVI, ISF) are less experienced with SCOs and FNLCs but show a strong interest in simplification measures. SCOs account for 19.5% of the AMIF budget (EUR 1.5 billion), 6.7% of the BMVI budget (EUR 0.36 billion), and 11% of the ISF budget (EUR 0.16 billion).
  - Upper Level Use: Predominantly in ERDF and ESF+, where adoption has increased compared to the use of Article 14(1) of (ESF) Regulation 1304/2013 in 2014–2020.
  - FNLCs: Limited uptake covering 0.7% (EUR 2.2 billion) of the ERDF budget and 6% (EUR 7.8 billion) of the ESF+ budget. However, several Member States are actively exploring FNLC schemes for future use.

### **Advantages of Simplification Measures**

- Across both periods, the primary benefits for programme authorities include reduced administrative burden and easier compliance with rules.
- There is a noticeable shift from focusing on administrative efficiency to appreciating broader benefits such as:
  - Enhanced orientation on results;
  - Benefits for beneficiaries;
  - Improved governance.
- Beneficiaries highlighted similar advantages, particularly reduced administrative burden and the potential to improve project quality due to a stronger focus on results.

### **Challenges to Developing Simplification Schemes**

- SCOs:

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<sup>1</sup> The analysis concerns only the use of SCOs under non-Integrated Administration and Control System (IACS) measures.

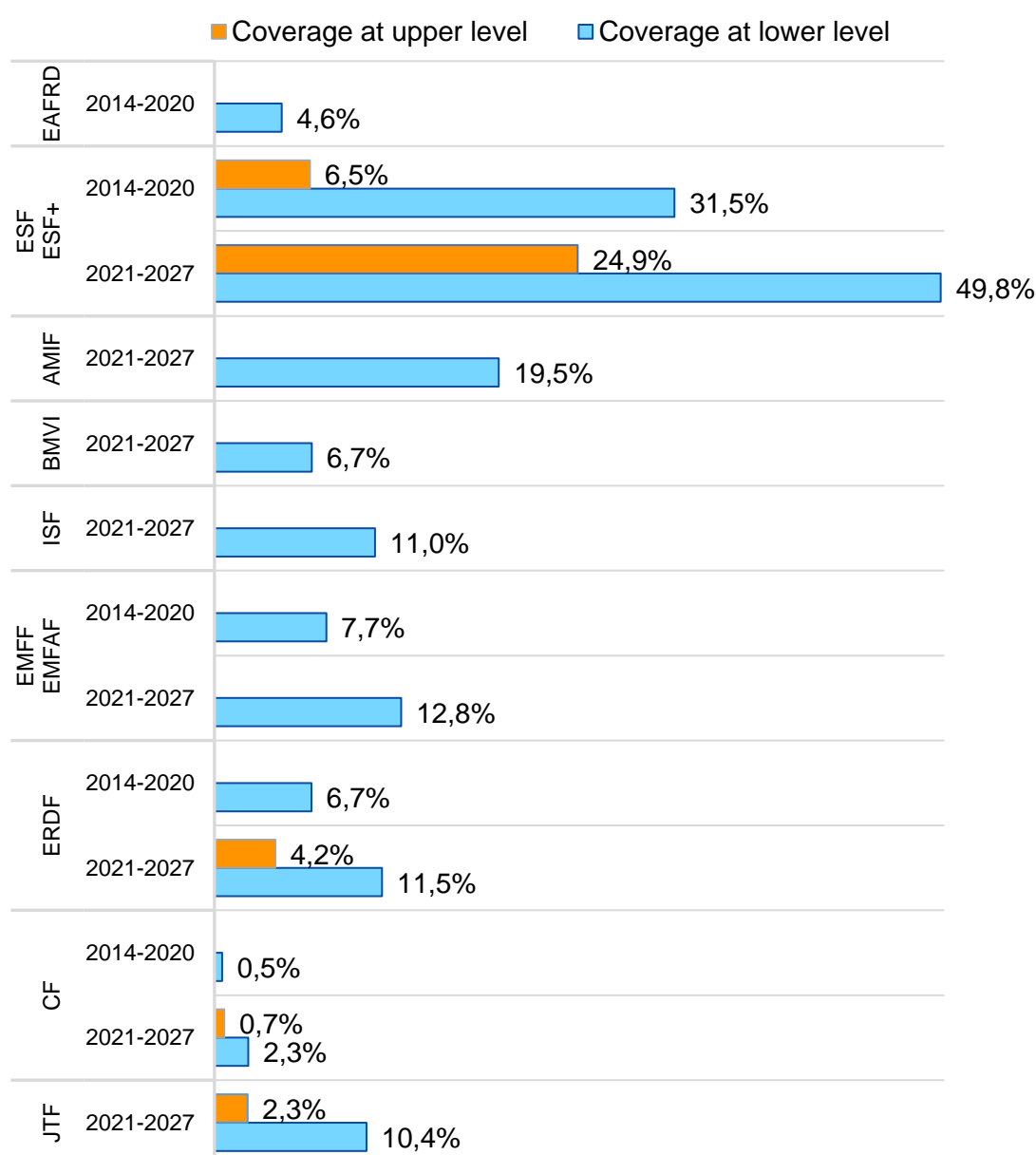
- The most significant challenges include a lack of historical data and the absence of alternative data sources.
- FNLCs:
  - The main barriers are a lack of experience of designing and implementing FNLC schemes as well as the administrative burden associated with their development.
  - These challenges reflect the early-stage adoption of FNLCs and mirror initial apprehensions observed when SCOs were first introduced.

## Key findings and lessons learnt

### Overview of the uptake

Figure 1 below summarises the key figures on the uptake of simplification measures across funds and programming periods, aggregating the information on SCOs and FNLC mapped in this study. Specifically, the size of the bars represents the share of total budget covered by simplification measures for each fund, enabling comparisons between the two programming periods. The figure also distinguishes between simplification measures at the lower level (blue bars) and at the upper level (orange bars). In addition, below the figure, there is a table with the absolute value of the budget covered by the mapped simplification measures.

**Figure 1 Uptake of simplification measures by fund**



| Fund  | Programming period | Coverage at lower level (EUR bn) | Coverage at upper level (EUR bn) |
|-------|--------------------|----------------------------------|----------------------------------|
| EAFRD | 2014-2020          | 9.180                            | -                                |
| ESF   | 2014-2020          | 44.245                           | 9.174                            |
| ESF+  | 2021-2027          | 70.679                           | 22.892                           |
| AMIF  | 2021-2027          | 1.460                            | 0                                |
| BMVI  | 2021-2027          | 0.357                            | 0                                |
| ISF   | 2021-2027          | 0.163                            | 0                                |
| EMFF  | 2014-2020          | 0.596                            | -                                |
| EMFAF | 2021-2027          | 1.022                            | 0                                |
| ERDF  | 2014-2020          | 20.501                           | -                                |
| ERDF  | 2021-2027          | 37.484                           | 9.582                            |
| CF    | 2014-2020          | 0.375                            | -                                |
| CF    | 2021-2027          | 1.141                            | 0.309                            |
| JTF   | 2021-2027          | 2.808                            | 0.340                            |

When examining the funds where simplification has been mapped across two programming periods (i.e., ESF/ESF+, EMFF/EMFAF, CF, and ERDF), there is a significant increase in the budget share covered by simplification measures in the 2021–2027 period compared to the previous programming period.

For the uptake of simplification measures in 2021–2027, the study applied narrow definition of what qualifies as ‘schemes programmed.’ Only schemes already ‘under development’ by managing authorities were classified as ‘programmed.’ This means that schemes not yet in the development phase by managing authorities at the time of the survey (spring 2024) were not included.

Even with this consideration, the increased uptake of simplification options is particularly evident from the financial flow between **Member States and beneficiaries (lower level)** of + 63% for ESF, while ERDF, CF and EMFAF almost doubled the budget covered by these measures compared to 2014-2020. In absolute terms, the ESF increased its coverage from EUR 44.2 billion in 2014–2020 to EUR 70.7 billion in 2021–2027. Similarly, for ERDF it rose from EUR 20.5 billion in 2014–2020 to EUR 37.5 billion in 2021–2027. For CF, the coverage tripled from approximately EUR 0.38 billion in 2014–2020 to EUR 1.1 billion in 2021–2027. Finally, the fisheries fund coverage increased from some EUR 600 million under EMFF to over EUR 1 billion under EMFAF in 2021–2027.

The Home Funds (AMIF, BMVI, and ISF) have less experience with SCOs and FNLC, yet their use at the lower level demonstrates a strong interest in simplification measures. SCOs mapped at the lower level account for 19.5% of the AMIF budget, 6.7% of the BMVI budget, and 11% of the ISF budget - equivalent to approximately EUR 1.5 billion, EUR 360 million, and EUR 160 million, respectively.

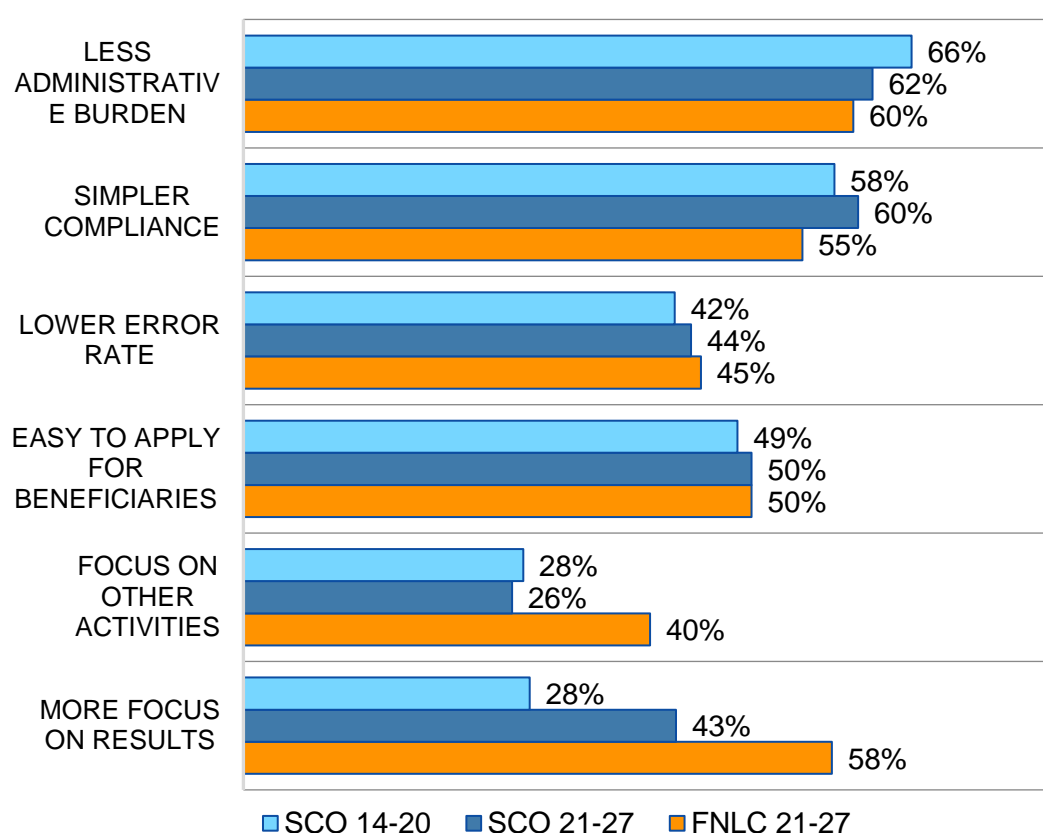
The use of simplification measures at the upper level is less widespread and is primarily concentrated in the two funds with the most experience, ESF+ and ERDF. However, a comparison between the use of the option under Article 14.1 of Regulation 1304/2013 in ESF and the options under Article 94-95 of the CPR in 2021-2027 for ESF+ reveals that even at the upper level, the simplification measures have significantly increased compared to the previous programming period (in absolute terms, from EUR 9.2 billion covered by Article 14.1 in 2014–2020 to EUR 22.9 billion covered by Articles 94-95 of the CPR in 2021–2027).

A significant portion of the budget covered by simplification measures comes from SCOs, while the impact of FNLCs remains more limited at present. As of spring 2024, the data collection period for this study, FNLCs mapped are relevant only for ERDF and ESF+. FNLCs cover 0.7% and 6% of their respective budgets, or EUR 2.2 billion and EUR 8.5 billion, respectively.

### **Main advantages**

Figure 2 below presents **programme authorities'** perceptions of advantages offered by simplification measures. This illustrates the share of survey respondents who rated each advantage as highly relevant, aggregating all responses from all funds. Specific figures are provided for each fund in the following chapters.

**Figure 2 Advantages of simplification measures for programme authorities**



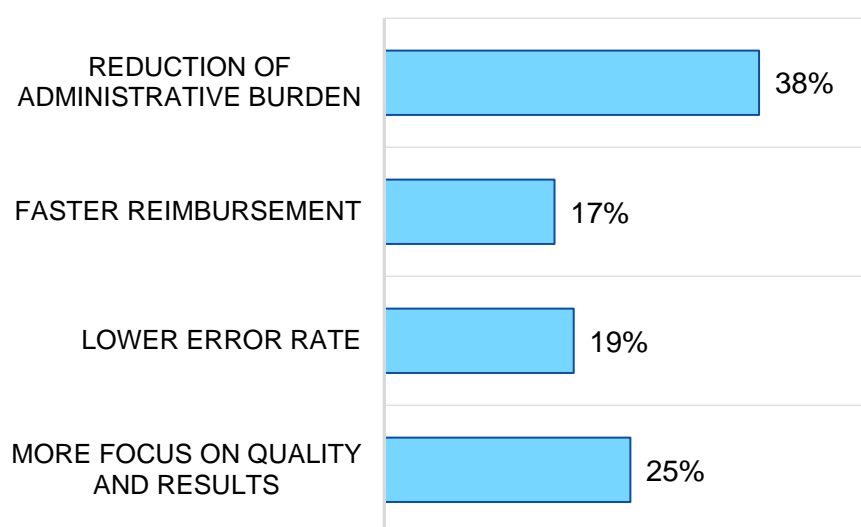
Across both programming periods, the most significant advantages of SCOs for programme authorities are reduced administrative burden and easier compliance with the rules. As shown in the figure above, in the 2021-2027 programming period the share of respondents who consider other advantages as highly relevant has increased across the board, compared to the previous programming period. These include a stronger emphasis on results, benefits for beneficiaries and enhanced governance. This suggests that with the time and by gaining experience, programme authorities increasingly value broader, outcome-oriented benefits of SCOs beyond administrative simplification.

This evolution highlights a growing recognition of the strategic advantages of SCOs, transitioning from an initial focus on efficiency gains to a more comprehensive emphasis on achieving higher-quality and more impactful outcomes.

The emphasis on benefits from improving project quality is similarly reflected in responses about the potential advantages of FNLCs. For these, 'more focus on results' is the second most relevant advantage, just after 'less administrative burden.'

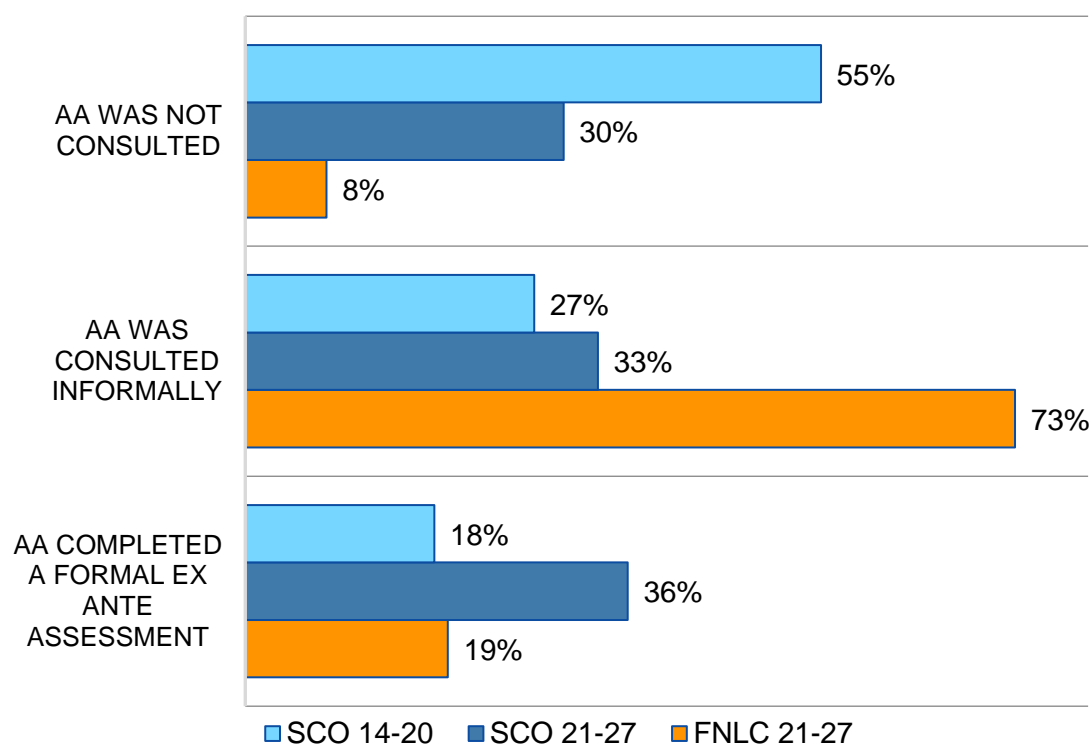
**For beneficiaries**, as shown in the figure 3 below, the main advantages of SCOs are reduced administrative burden (for 38% of respondents) and the potential to enhance project quality by enabling a greater focus on results (25%). There was no feedback from beneficiaries on FNLC.

**Figure 3 Advantages of SCO schemes for beneficiaries**



Among the potential advantages of using simplification measures is the possible improvement in programme governance through greater **involvement of audit authorities**, both formally and informally. The figure 4 below provides a comparative analysis of the involvement of audit authorities in developing simplification schemes, with data aggregated from all the funds.

**Figure 4 Involvement of audit authorities in defining SCOs/FNLC**

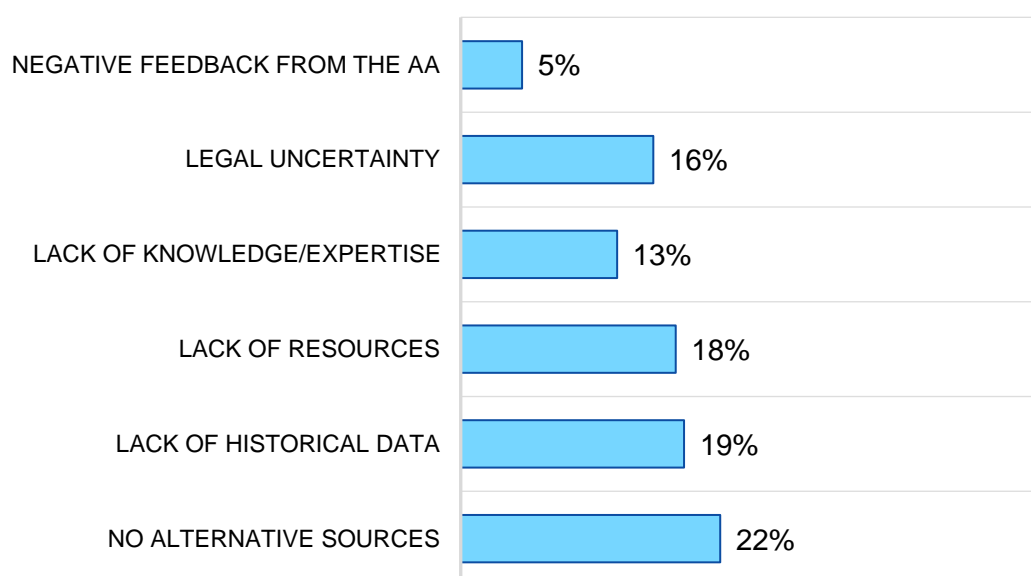


The “optional” involvement of audit authorities in developing SCO schemes during the 2021-2027 programming period concerns exclusively lower level schemes. All schemes at the upper level approved under Article 94 of the CPR require a formal assessment by the audit authorities. The involvement of audit authorities in the development of SCO schemes has increased over time. This is through informal consultation, rising from 27% of schemes in the 2014-2020 period to 33% in the 2021-2027 period. More notably formal assessment has increased from 18% of schemes in 2014-2020 to 36% in 2021-2027. For FNLC, data on schemes mapped under ERDF and ESF+ indicate that, even though it is not a legal requirement, audit authorities are asked to provide assessments of the schemes in the vast majority of cases (73% informal assessment, 19% formal assessment).

## Main challenges

Figure 5 below presents the perceptions of programme authorities regarding potential challenges to developing SCOs during the current programming period (2021–2027). It illustrates the share of survey respondents who identified various issues as highly relevant. This figure aggregates data across all the funds, while detailed figures for each fund are provided in the subsequent chapters

**Figure 5 Main issues faced in developing SCO schemes in 2021-2027**



The challenges for programme authorities in developing SCO schemes are primarily the lack of historical data which is perceived as highly relevant by 19% of respondents, while the absence of alternative data sources to address the limitations of historical data is seen as the most significant challenge for 22%.

Resource limitations (highly relevant for 18% of respondents) predominantly relate to human resources and time constraints rather than financial shortages.

The qualitative responses concerning knowledge and expertise gaps as critical issues significantly overlap with ‘lack of resources.’ Some respondents mentioned the absence of national coordination to address the shared needs of managing authorities facing

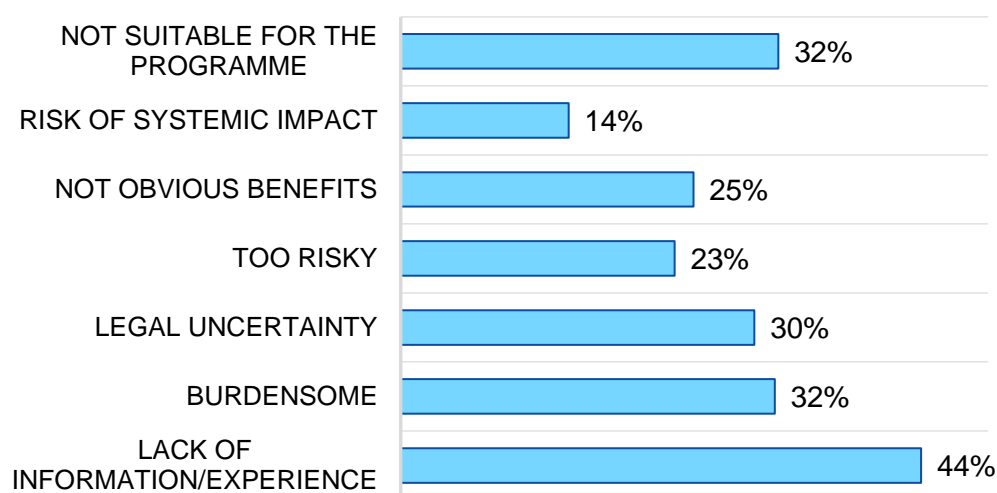
similar challenges. Additionally, some noted administrative cultures deeply entrenched in real-cost justifications, which can impede the transition toward SCOs.

Some programme authorities (in particular under ERDF and ESF+) have overcome the lack of historical data by using statistics from national institutes, market surveys, or a combination of these. Alternative sources have also been combined with an increased use of expert judgement, showing it is possible to develop simplification measures when historical data are not available.

Leveraging the experiences of authorities more advanced in using simplification measures would greatly assist those looking to increase their use of these measures. Fostering knowledge transfer and best practice sharing would enable less experienced authorities to capitalise on opportunities provided by the regulatory framework.

At the time of the survey (spring 2024), the primary reason for authorities not using FNLC (see figure 6 below) is the lack of information/experience on how to design and implement such schemes (highly important for 44% of respondents). Managing authorities also pointed out the administrative burden of designing FNLC schemes and the significant legal uncertainty associated with them (highly important for 32% and 30% of respondents respectively).

**Figure 6 Key reasons for not using FNLC**



Additional reasons include the perception of risks and legal uncertainty. The comments from respondents indicate that these two categories often overlap. Both areas include uncertainties regarding FNLC covered by public procurement or doubts about the audit trail, such as 'it is not entirely clear what the audit expectations are for substantiating the fulfillment of the conditions.' Additionally, respondents expressed concerns about potential consequences of not fulfilling reimbursement conditions, particularly where lower level financial flows (i.e. between Member States and beneficiaries) would be based on real costs.

The reasons for the limited use of FNLC must be considered in context. Firstly, FNLCs are a recent addition to simplification measures available to programme authorities. The initial challenges and apprehensions for programme authorities designing and implementing FNLCs mirror experiences when SCOs were first introduced. As illustrated

by reasons for ERDF/CF authorities for not using SCOs in 2018<sup>2</sup>, there was widespread hesitation due to a lack of familiarity, insufficient practical knowledge and potential legal and administrative complexities/risks. However, as programme authorities became more experienced and confident in implementing SCOs, the use increased significantly.

While FNLCs are currently in limited use, several Member States are actively considering and developing new FNLC schemes. As knowledge increases and practical examples become more widespread, the use of FNLCs should expand beyond the initial estimates presented in this report.

### **Lessons learnt/recommendations**

→ At EU level, further promote simplification particularly at the highest (policy and technical) level and develop a structured communication to inform about the advantages of simplification measures and to further disseminate the numerous good practices available at EU level. Investing in promotion and communication plays a key role for overcoming preconceptions around SCOs/FNLC and encouraging less experienced authorities and stakeholders to change mindset towards simplification measures.

→ At EU level, continue to enhance exchanges of experience between more and less experienced programme authorities to achieve widespread use of simplification measures. This includes to further enhance the approach of EMPL and REGIO Transnational networks on simplification and to extend it to other Directorates-General (e.g., by establishing additional networks specifically dedicated to other Funds). The networks also serve to test and discuss concrete proposals to facilitate a wider and easier uptake of simplification measures.

→ At EU level, a particularly beneficial step would be the development of models of SCOs/FNLC that provide Member States with a clear framework and outline essential aspects necessary for designing their own country-specific schemes. Such models could serve as adaptable tools, enabling programme authorities to tailor the schemes to their unique national contexts before submitting them for approval by the European Commission.

→ At EU level, further enhance capacity building and knowledge sharing around simplification measures within each Directorate-General, also by establishing working groups / networks coordinated by the units responsible for simplification measures and involving Geographical Desks and, where relevant, Policy units.

→ At Member State level, make enhanced simplification and wider use of simplification measures a strategic objective and develop an agenda for simplification, taking into account that the advantages of simplification measures go beyond the reduction of administrative costs and burden and include enhanced focus on quality and results of interventions. The agenda for simplification should encourage collaboration among authorities responsible for different Funds, building on the experience of the most advanced users of simplification measures.

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<sup>2</sup> [https://ec.europa.eu/regional\\_policy/sources/studies/use\\_sco\\_esif\\_en.pdf](https://ec.europa.eu/regional_policy/sources/studies/use_sco_esif_en.pdf)

- At Member State level, establish national networks and national coordination centres on simplification, capitalising on the experience of the transnational networks and of the Member States which are more advanced in the use of simplification measures.
- At Member State level, develop national roadmaps to achieve the objective of enhanced simplification, through an increased use of SCOs and FNLC. The roadmaps should include: an assessment of the state of play and key issues hindering the use of simplification measures in the Member State, a clear description of the specific actions to be implemented by national / regional authorities, a precise timeline and a description of roles and responsibilities of all actors involved in implementation, including those implementing operations on the ground
- At Member State level, strengthen formal and informal collaboration between managing authorities and audit authorities, in particular enhance the involvement of audit authorities when defining simplification schemes, while fully respecting the roles and responsibilities of the programme authorities.
- At Member State level, further enhance opportunities for collaboration between programme authorities and beneficiaries and ensure that simplification is achieved for all parties involved in the implementation of EU funded interventions.

## 1. Methodology

This study maps actual and planned use of SCO and FNLC at European Commission – Member State (upper) level as well as programme authority – beneficiary (lower) level in the 2014-2020 and 2021-2027 programming periods.

The study has three objectives:

- Mapping/quantifying SCO use in the 2014-2020 programming period for ERDF, CF, ESF, EAFRD and EMFF. This involves updating the 2018 study.
- Mapping/quantifying SCO and FNLC use in the 2021-2027 programming period for ERDF, CF, ESF+, JTF, EMFAF, AMIF, ISF and BMVI. This differentiates between SCOs and FNLC already 'in use' and those 'programmed' to be used.
- Exploring the advantages of SCOs and FNLC, also analysing enduring hindrances to their implementation, as well as deriving lessons and recommendations to improve their use in the 2021-2027 and post-2027 programming periods.

The primary method for collecting data and information was a survey of programme authorities which involved the following steps:

- Step 1: structuring the inception phase. A kick-off meeting in Brussels between the study team and the Commission on 9 January 2024 tackled a number of issues to ensure smooth and successful implementation of the study. A subsequent meeting with the Commission in Brussels on 1 February 2024 helped to further define the questionnaires and ensure a uniform understanding of the information to be gathered.
- Step 2: collecting data from Member States on SCO and FNLC use across two programming periods (i.e. 2014-2020 and 2021-2027). This covered all 27 Member States and required a team of national experts.
- Step 3: checking and cleaning the database. Survey information was meticulously verified to ensure consistency, particularly in relation to the amounts covered by the schemes. These controls continued after the survey closed and any programme authorities that provided data with potential inconsistencies were recontacted. The goal was to create a reliable database to support analysis for the final report.
- Step 4: analysing the data including calculating SCO and FNLC coverage. Once the data had been cleaned they were consolidated in a database, which is the basis for this report.
- Step 5: formulating lessons learnt and recommendations.

The study also includes information from a sample of CPR Funds beneficiaries. A second survey, targeting these beneficiaries was launched from July to August 2024.

## 1.1. Structuring data collection

Most of the study depends on web survey responses from programme authorities. A significant factor when collecting such crucial primary data is for questionnaires to be fully aligned with the objectives. To ensure this, the study team scheduled two meetings to discuss concepts and definitions with the Commission, ensuring clarity and common understanding. The table below summarises the agreed definitions. These are presented in the introduction to the web survey and were shared with national experts and all respondents.

**Table 1 – Key concepts and definitions agreed with the European Commission**

|                 | In use   | Programmed  |
|-----------------|--|---|
| SCO Lower Level | SCO already adopted or included in a call for proposals/in the programme.  | SCO currently under development or fine-tuning and will be used in the near future.   |
| SCO Upper Level | <p>For SCOs developed by the Member State under Article 94(2) CPR, the SCO included in Appendix 1 of the programme has been already approved by the Commission.</p> <p>For SCOs adopted by the Commission under Article 94(4) CPR ('EU level SCOs'), a formal decision to use the concerned SCOs has been taken by the programme authority.</p>  | <p>For SCOs developed by the Member State under Article 94(2) CPR, the programme authority is developing or fine-tuning the SCO proposal (to be) included in Appendix 1 of the programme (but not yet approved by the Commission).</p> <p>For SCOs adopted by the Commission under Article 94(4) CPR ('EU level SCOs'), the programme authority has already programmed the operation(s) to which the concerned SCO will be applied.</p> |
| FNLC            | <p>For FNLC developed by the Member State under Article 95(2) CPR, the FNLC included in Appendix 2 of the programme has been already approved by the Commission.</p> <p>For FNLC adopted by the Commission under Article 95(4) CPR ('EU level FNLC'), a formal decision to use the concerned FNLC has been taken by the programme authority.</p> | <p>For FNLC developed by the Member State under Article 95(2) CPR, the programme authority is developing or fine tuning the FNLC proposal (to be) included in Appendix 2 of the programme (but not yet approved by the Commission).</p> <p>For FNLC adopted by the Commission under Article 95(4) CPR ('EU level FNLC'), the programme authority has already programmed the operation(s) to which the FNLC will be applied.</p>         |

In addition, for each survey the study team submitted a draft questionnaire tailored to each fund and programming period to the respective DG. This allowed each DG to review and confirm the appropriateness and coherence of the questions.

The questionnaires are presented in the annex (see chapter 8).

## 1.2. Data collection

The surveys targeted all authorities of CPR programmes implemented during the two most recent programming periods.

The table below illustrates the number of programmes, differentiating between 2014-2020 and 2021-2027 programmes and specifying the number of programmes per DG. Based on data from the Commission, the web-survey involved 537 authorities of programmes in 2014-2020 and 484 authorities of programmes in 2021-2027.

**Table 2 – Number of programmes in the web-survey mapping SCO and FNLC use in 2014-2020 and 2021-2027**

| Member State | 2014-2020 |      |            |      |      | 2021-2027 |      |            |      |      |
|--------------|-----------|------|------------|------|------|-----------|------|------------|------|------|
|              | REGIO     | EMPL | REGIO/EMPL | AGRI | MARE | REGIO     | EMPL | REGIO/EMPL | HOME | MARE |
| AT           | 1         | 1    |            | 1    | 1    | 1         | 1    | 1          | 3    | 1    |
| BE           | 3         | 4    |            | 2    | 1    | 3         | 5    |            | 3    | 1    |
| BG           | 5         | 2    | 1          | 1    | 1    | 6         | 3    |            | 3    | 1    |
| CY           | 1         | 1    |            | 1    | 1    |           |      | 1          | 3    | 1    |
| CZ           | 6         | 1    | 1          | 1    | 1    | 6         | 1    | 1          | 3    | 1    |
| DE           | 15        | 16   | 2          | 14   | 1    | 15        | 15   | 2          | 3    | 1    |
| DK           | 2         | 1    |            | 1    | 1    | 2         | 1    |            | 1    | 1    |
| EE           |           |      | 1          | 1    | 1    |           |      | 1          | 3    | 1    |
| EL           | 1         | 1    | 16         | 1    | 1    | 4         | 1    | 16         | 3    | 1    |
| ES           | 21        | 23   |            | 18   | 1    | 21        | 23   |            | 3    | 1    |
| FI           | 1         |      | 2          | 2    | 1    |           |      | 2          | 3    | 1    |
| FR           | 7         | 6    | 27         | 30   | 1    | 3         | 2    | 17         | 3    | 1    |
| HR           | 2         | 1    |            | 1    | 1    | 2         | 1    |            | 3    | 1    |
| HU           | 2         |      | 5          | 1    | 1    | 2         |      | 5          | 3    | 1    |
| IE           | 2         | 1    |            | 1    | 1    | 3         | 1    |            | 2    | 1    |
| IT           | 22        | 21   | 8          | 23   | 1    | 21        | 18   | 9          | 3    | 1    |
| LT           |           |      | 1          | 1    | 1    |           | 1    | 1          | 3    | 1    |
| LU           | 1         | 1    |            | 1    |      | 1         |      | 1          | 3    |      |
| LV           |           |      | 1          | 1    | 1    |           | 1    | 1          | 3    | 1    |
| MT           | 2         | 1    |            | 1    | 1    | 1         | 1    |            | 3    | 1    |
| NL           | 4         | 1    |            | 1    | 1    | 5         | 1    |            | 3    | 1    |
| PL           | 5         | 1    | 16         | 1    | 1    | 5         | 2    | 16         | 3    | 1    |
| PT           | 2         | 2    | 8          | 3    | 1    | 2         | 1    | 8          | 3    | 1    |
| RO           | 4         | 2    |            | 1    | 1    | 12        | 1    | 3          | 3    | 1    |
| SE           | 9         | 1    | 1          | 1    | 1    | 10        | 1    |            | 3    | 1    |

| Member State | 2014-2020 |      |            |      |      | 2021-2027 |      |            |      |      |
|--------------|-----------|------|------------|------|------|-----------|------|------------|------|------|
|              | REGIO     | EMPL | REGIO/EMPL | AGRI | MARE | REGIO     | EMPL | REGIO/EMPL | HOME | MARE |
| SI           |           |      | 1          | 1    | 1    |           | 1    | 1          | 3    | 1    |
| SK           | 4         | 1    | 1          | 1    | 1    |           |      | 1          | 3    | 1    |
| UK           | 9         | 6    |            | 4    | 1    |           |      |            |      |      |
| TC           | 76        |      |            |      |      | 86        |      |            |      |      |
| TOTAL        | 207       | 95   | 92         | 116  | 27   | 211       | 82   | 87         | 78   | 26   |
| TOTAL        | 537       |      |            |      |      | 484       |      |            |      |      |

Source : <https://cohesiondata.ec.europa.eu/>

### The web-survey for programme authorities was launched on 27 February and ended on 31 May 2024.

To assist respondents, the web survey was translated into 12 languages: Bulgarian, Czech, French, German, Greek, Hungarian, Italian, Polish, Portuguese, Romanian, Slovak and Spanish. For Member States not covered by these translations, the survey was provided in English.

Each programme authority was contacted via email with their addresses provided by the European Commission. An automatic email, generated by the Alchemer web platform, included a link to the web survey and an official invitation letter from the Commission.

After the initial invitation, national experts began reaching out to each programme authority, offering support to complete the questionnaires. Additionally, a helpdesk email address was managed by the core team to provide continuous support to any authority that received the survey but had not been contacted by a national expert. This ensured that all respondents could receive assistance and guidance as needed throughout the process. Authorities with specific challenges were offered tailored solutions from the core team to facilitate their participation. For example, some authorities encountered difficulties accessing the Alchemer web platform due to strict security protocols within their departments. The core team emailed them the questionnaire in Excel format.

During the three months of the survey, the core team continuously monitored responses, notifying national experts of low response rates in their country. For particular issues, such as national experts facing difficulties reaching authorities, the core team informed the Commission. The Commission then alerted its services such as geographical units and requested support from national authorities involved in the two transnational networks on simplification. Assistance from these networks was particularly effective, especially when email addresses were outdated or not directed to the relevant individuals.

Moreover, the study's preliminary findings were shared with key stakeholders to ensure transparency and gather additional insights. These included presentations to the CPR

Expert Group, ESF+ Committee, ESF+ Simplification Ambassadors' Network and REGIO Simplification matrix. The findings were also discussed at the ESF+ Transnational Network on Simplification meeting in Malmö in October 2024, and at the REGIO Transnational Network on Simplification meeting in Marseille in November 2024.

As a result, several additional inputs were submitted to the core team during October and November 2024. These contributions played a critical role in refining the study's results and ensuring their accuracy.

**The beneficiary web-survey was launched on 1 July and ended on 31 August 2024.** Each programme authority that participated in the initial survey was recontacted and requested to send a web survey link to their beneficiaries. This survey was structured around the questions outlined in Box 6.

### 1.3. Checking and cleaning

Before proceeding with the analysis, data from the survey underwent rigorous checks to ensure consistency and prevent potential biases from incoherent data, including:

#### **Programme ID coherence.**

Each response was scrutinised to verify consistency regarding the type of programme. We ensured that the programme identifier (CCI), programming period and the fund all corresponded. Several respondents were recontacted for clarification. A common error involved programme authorities completing the questionnaire for the 2014-2020 period while referencing the CCI of the 2021-2027 programme, or vice versa.

#### **Amount covered or expected to be covered.**

The amounts covered by the schemes presented particular challenges for respondents. At scheme level, automatic alerts were triggered if (i) respondents failed to provide data on the amount covered by the scheme at the end of the programming period (for 2014-2020 programmes), or the amount programmed to be covered by the end of the programming period (for 2021-2027 programmes); or (ii) respondents reported amounts for reimbursed/claimed expenditure which exceeded amounts planned for the end of the programming period (for 2021-2027 programmes).

At programme level, automatic alerts notified if the budget for 2014-2020 programmes was near 0%, or for programmes funded in 2021-2027 was programmed to be near 0%, or exceeded the programme budget.

In such instances, respondents were recontacted to verify and correct the information. Additionally, we reached out to all programme authorities who had to use SCOs for small operations but reported not using or intending to use any<sup>3</sup>. This was to determine whether their programme budget is not covered by an SCO, or they do not intend to participate in the survey. For the former, their response is included in the calculations for the total budget covered by SCO at both EU and Member State levels. For the latter, the

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<sup>3</sup> Programme authorities required to use SCOs are those where Article 67(2a) of the Regulation 1303/2013 and Article 53(2) of the Regulation 2021/1060 apply. As a title of example, any ESF, ERDF, JTF and HOME Funds authorities that responded 'NO' to the initial question about the SCO use in 2021-2027 were recontacted. Where a programme authority declared they do not use an SCO, we also inquired whether this means they do not finance small operations (i.e. operations where Article 53.2 CPR is applicable).

questionnaire was deemed incomplete and excluded from the responses considered for this report.

Estimating the amounts expected to be covered by SCO at the end of the 2021-2027 programming period has been a major challenge. Many programme authorities say they cannot estimate these. Their responses have been excluded and are not considered for the quantitative analysis in this report. However, their qualitative insights have been taken into account when analysing reasons for using and not using SCO/FNLC, as well as perceptions of the advantages and factors impeding their use.

### **Checks and integration of data with alternative sources.**

Data from the survey were verified, particularly with data from the SFC portal. Data approved and submitted to the Commission under Appendixes 1 and 2 were used to refine and supplement survey responses. Integrating survey data with SFC data involved corrections to align the information if: (i) the amounts for approved schemes were inconsistent with information in Appendix 1 and 2, or (ii) survey data was only partial, such as multi-fund SCO data relating only to a single fund.

In addition to the SFC, survey data were verified against databases provided by Member States.

### **Consistency between 2014-2020 and 2021-2027 data.**

There were challenges in estimating SCO coverage at the end of 2021-2027 for ERDF, CF, ESF+ and EMFAF, where both programming periods were mapped and analysed. An intermediate step verified data consistency before proceeding with the estimates for the end of the 2021-2027 period where the responses were checked against Member State data for the 2014-2020 period.

After reviewing the data, the SCO share of budget at Member State level was compared for both periods. A lower SCO share in 2021-2027 than in 2014-2020 is considered inconsistent, possibly due to the difficulties of accurately estimating coverage at the end of the programming period.

For these Member States it is unrealistic to expect less coverage in 2021-2027, so the share of SCO coverage in 2014-2020 was attributed to the 2021-2027 period. EU-level coverage is the result of this additional check (further details are provided in the following chapter). Member States where the 2021-2027 coverage was recalculated are indicated throughout the report (highlighted in blue in the relevant tables).

## 1.4. Analysis

Data was verified and inconsistent records removed or corrected and the resultant database forms the basis for the analyses.

### 1.4.1. Programme budget covered by SCO/FNLC

As previously emphasised, the data for each scheme was thoroughly checked. **The first step** in the analysis of programme budget covered by SCO/FNLC **is to sum the amounts covered at Fund level.**

For simplicity, the formulas are based on beneficiary expenditure planned to be reimbursed by the end of 2021-2027. The approach is consistent with estimating SCO use in 2014-2020, SCO/FNLC use at the upper level and analysis of amounts already reimbursed.

$$EUR \text{ Sum of the budget planned to be covered by SCO at lower level} = \sum_{i=1}^n a_i$$

Where:

$n$  is the total number of schemes that passed the quality check at Fund level;

$a_i$  is the amount planned to be covered by an SCO for the  $i$ -th scheme.

**The second step involves comparing the amount quantified in the first step with the total fund budget** for programmes that provided consistent data and which passed the quality check. From this comparison, we derive the budget share covered by the SCO/FNLC schemes.

$$\begin{aligned} & \% \text{ of budget covered by SCO} \\ &= \frac{\text{Sum of the budget planned to be covered by SCO at lower level}}{\text{Total budget of the programmes that passed the quality check}} \end{aligned}$$

Where:

‘Sum of the budget planned to be covered by an SCO at lower level’ only covers information provided by programmes that passed the quality check.

‘Total budget of programmes’ refers to the budget allocated to the fund, only for programmes whose data passed the quality check.

#### Box 1 - Calculation under step 2 for ERDF, CF, ESF/ESF+ and EMFF/EMFAF

As mentioned in the previous chapter, for ERDF, CF, ESF/ESF+ and EMFF/EMFAF funds, an additional step checked the consistency of SCO coverage in 2021-2027 compared to the previous period. This reviews the percentages calculated in Step 2 for the two programming periods, discarding the 2021-2027 value if it is lower than the 2014-2020 value.

$$\%_{valid} = \begin{cases} \%_{2014-2020} & \text{if } \%_{2021-2027} < \%_{2014-2020} \\ \text{otherwise } \%_{2021-2027} \end{cases}$$

The percentage of SCO coverage at EU level for 2021-2027 is calculated using this approach. It is derived using data from 2021-2027 for some Member States and from 2014-2020 for Member States where the 2021-2027 share is lower than in 2014-2020.

**The third step is to estimate, in absolute terms, the budget potentially covered by SCO/FNLC at EU level** (i.e., the SCO/FNLC coverage of all programme budgets) by applying the share calculated in step 2 for the Fund budget at EU level.

#### 1.4.2. Type of SCO/FNLC

This section details the methodology used to analyse responses on the types of SCO/FNLC.

**The first step involves summing the amounts covered by a particular type of SCO/FNLC at programme and Fund level** (in this example, unit costs).

$$\text{Sum of unit costs used at lower level} = \sum_{i=1}^m UC_i$$

Where:

$m$  is the number of schemes that passed the fund level quality check and use unit costs.

$u_i$  is the unit cost for the  $i$ -th scheme in the fund.

The second step quantifies the amount covered by the type of SCO per the previous paragraph. The only difference is that the amount refers to the type of SCO (in this example, unit cost).

$$\begin{aligned} &\text{EUR Sum of the budget planned to be covered by unit cost at lower level} \\ &= \sum_{i=1}^m UC_{eur_i} \end{aligned}$$

Where:

$m$  is the number of schemes that passed the fund level quality check and use unit costs.

$UC_{eur_i}$  denotes the amount planned to be covered by unit costs for the  $i$ -th scheme.

#### 1.4.3. Type of policy area, cost and beneficiary

Under the questionnaire structure, each SCO/FNLC scheme can cover multiple policy areas, beneficiaries and costs. Quantifying the coverage of these variables aligns with the multifaceted approach and involves calculating the percentage of SCOs that cover a

specific policy area, beneficiary, or cost compared to the total number of SCOs that passed the quality checks outlined in the previous chapter.

This percentage may exceed 100% since a single scheme can be associated with more than one policy area, beneficiary, or cost.

#### 1.4.4. Questions to gather stakeholder perceptions

Under the questionnaire for programme authorities, each respondent was asked to share their perceptions of advantages and issues related to the use of SCO and FNLC, as well as the extent they interacted with the audit authority on these simplification measures.

To fully use data from responses to qualitative questions based on Likert scales, it was decided to use all the completed questionnaires. So, responses that did not pass the quantitative data quality checks were still used in the analysis of programme authorities' perceptions.

A similar approach was used for the beneficiaries, where all responses were used for the analysis.

## 2. The response rate

### 2.1. Response to the questionnaire addressed to the programme authorities

This chapter details the web survey response rate, emphasising variations across funds and programming periods.

The analysis is based on two criteria:

1. The number of programmes participating in the survey (programme authorities completing the questionnaire) relative to the total number of programmes funded, by fund and by programming period;
2. The proportion of EU and national co-financing budget for participating programmes compared to the total budget allocated, also broken down by fund and programming period.

The tables below show all the responses at fund level before cleaning the data. For EMPL and REGIO Funds, to accurately depict the response rate at fund level, each response from a multifund programme counts separately for each fund. For example, a response from an ERDF/ESF programme is counted once in the ERDF row and once in the ESF row. Consistently, 'Total OPs', which are the denominators for the response rate, are the number of programmes at EU level financed by a specific fund.

**Table 3 – Responses from both programming periods**

| Fund       | Complete questionnaires | Total OPs | Response rate (Total OPs) | Response rate (Budget coverage) |
|------------|-------------------------|-----------|---------------------------|---------------------------------|
| CF         | 41                      | 47        | 87%                       | 97%                             |
| ERDF       | 359                     | 574       | 63%                       | 71%                             |
| JTF        | 26                      | 46        | 57%                       | 59%                             |
| ESF/ESF+   | 206                     | 357       | 58%                       | 66%                             |
| EMFF/EMFAF | 25                      | 53        | 47%                       | 41%                             |
| EAFRD      | 34                      | 115       | 30%                       | 56%                             |
| AMIF       | 22                      | 26        | 85%                       | 87%                             |
| BMVI       | 19                      | 26        | 73%                       | 73%                             |
| ISF        | 16                      | 26        | 62%                       | 54%                             |

Source: survey

**Table 4 – Responses from 2014-2020 programmes**

| Fund  | Complete questionnaires | Total OPs | Response rate (Total OPs) | Response rate (Budget coverage) |
|-------|-------------------------|-----------|---------------------------|---------------------------------|
| CF    | 22                      | 24        | 92%                       | 98%                             |
| ERDF  | 174                     | 290       | 60%                       | 67%                             |
| ESF   | 107                     | 188       | 57%                       | 63%                             |
| EMFF  | 13                      | 27        | 48%                       | 33%                             |
| EAFRD | 34                      | 115       | 30%                       | 56%                             |

Source: Survey

**Table 5 – Responses from 2021-2027 programmes**

| Fund  | Complete questionnaires | Total OPs | Response rate (Total OPs) | Response rate (Budget coverage) |
|-------|-------------------------|-----------|---------------------------|---------------------------------|
| CF    | 19                      | 23        | 83%                       | 95%                             |
| ERDF  | 185                     | 284       | 65%                       | 75%                             |
| JTF   | 26                      | 46        | 57%                       | 59%                             |
| ESF+  | 99                      | 169       | 59%                       | 68%                             |
| EMFAF | 12                      | 26        | 46%                       | 49%                             |
| AMIF  | 22                      | 26        | 85%                       | 87%                             |
| BMVI  | 19                      | 26        | 73%                       | 73%                             |
| ISF   | 16                      | 26        | 62%                       | 54%                             |

Source: Survey

The table below presents the response rate at Member State and fund level highlighting the impact of data cleaning. Multi-fund programmes are counted separately for each fund.

**Table 6 – Response rate by Member State for REGIO Funds**

| MS | CF       |   |           |                       |                    |                         |                      | ERDF     |   |           |                       |                    |                         |                      | JTF      |   |           |                       |                    |                         |                      |
|----|----------|---|-----------|-----------------------|--------------------|-------------------------|----------------------|----------|---|-----------|-----------------------|--------------------|-------------------------|----------------------|----------|---|-----------|-----------------------|--------------------|-------------------------|----------------------|
|    | Complete | / | No.progr. | RR No.progr. complete | RR Budget complete | RR No.progr. quality OK | RR Budget quality OK | Complete | / | No.progr. | RR No.progr. complete | RR Budget complete | RR No.progr. quality OK | RR Budget quality OK | Complete | / | No.progr. | RR No.progr. complete | RR Budget complete | RR No.progr. quality OK | RR Budget quality OK |
| AT | 0        | / | 0         | -                     | -                  | -                       | -                    | 2        | / | 2         | 100%                  | 100%               | 50%                     | 61%                  | 2        | / | 2         | 100%                  | 100%               | 50%                     | 42%                  |
| BE | 0        | / | 0         | -                     | -                  | -                       | -                    | 5        | / | 6         | 83%                   | 93%                | 83%                     | 93%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| BG | 2        | / | 4         | 50%                   | 43%                | 50%                     | 43%                  | 9        | / | 12        | 75%                   | 87%                | 75%                     | 87%                  | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| CY | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| CZ | 5        | / | 6         | 83%                   | 99%                | 83%                     | 99%                  | 11       | / | 12        | 92%                   | 79%                | 50%                     | 55%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| DE | 0        | / | 0         | -                     | -                  | -                       | -                    | 14       | / | 33        | 42%                   | 43%                | 30%                     | 27%                  | 1        | / | 5         | 20%                   | 28%                | 0%                      | 0%                   |
| DK | 0        | / | 0         | -                     | -                  | -                       | -                    | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| EE | 2        | / | 2         | 100%                  | 100%               | 50%                     | 60%                  | 2        | / | 2         | 100%                  | 100%               | 50%                     | 49%                  | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| EL | 4        | / | 5         | 80%                   | 99%                | 80%                     | 99%                  | 18       | / | 36        | 50%                   | 77%                | 31%                     | 61%                  | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| ES | 0        | / | 0         | -                     | -                  | -                       | -                    | 32       | / | 41        | 78%                   | 39%                | 56%                     | 35%                  | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| FI | 0        | / | 0         | -                     | -                  | -                       | -                    | 4        | / | 5         | 80%                   | 100%               | 60%                     | 99%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| FR | 0        | / | 0         | -                     | -                  | -                       | -                    | 23       | / | 53        | 43%                   | 53%                | 36%                     | 44%                  | 3        | / | 7         | 43%                   | 50%                | 43%                     | 50%                  |
| HR | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 3        | / | 3         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   |
| HU | 5        | / | 6         | 83%                   | 97%                | 83%                     | 97%                  | 12       | / | 13        | 92%                   | 99%                | 77%                     | 83%                  | 1        | / | 2         | 50%                   | 4%                 | 50%                     | 4%                   |
| IE | 0        | / | 0         | -                     | -                  | -                       | -                    | 4        | / | 4         | 100%                  | 100%               | 50%                     | 70%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| IT | 0        | / | 0         | -                     | -                  | -                       | -                    | 31       | / | 59        | 53%                   | 54%                | 49%                     | 52%                  | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| LT | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| LU | 0        | / | 0         | -                     | -                  | -                       | -                    | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 1        | / | 2         | 50%                   | 40%                | 50%                     | 40%                  |
| LV | 1        | / | 2         | 50%                   | 56%                | 50%                     | 56%                  | 2        | / | 2         | 100%                  | 100%               | 50%                     | 51%                  | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| MT | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 3        | / | 3         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| NL | 0        | / | 0         | -                     | -                  | -                       | -                    | 5        | / | 8         | 63%                   | 54%                | 63%                     | 54%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| PL | 3        | / | 3         | 100%                  | 100%               | 100%                    | 100%                 | 36       | / | 41        | 88%                   | 95%                | 76%                     | 78%                  | 5        | / | 5         | 100%                  | 100%               | 100%                    | 100%                 |
| PT | 3        | / | 3         | 100%                  | 100%               | 100%                    | 100%                 | 17       | / | 18        | 94%                   | 96%                | 83%                     | 90%                  | 0        | / | 3         | 0%                    | 0%                 | 0%                      | 0%                   |
| RO | 3        | / | 3         | 100%                  | 100%               | 100%                    | 100%                 | 15       | / | 18        | 83%                   | 80%                | 50%                     | 47%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| SE | 0        | / | 0         | -                     | -                  | -                       | -                    | 19       | / | 19        | 100%                  | 100%               | 95%                     | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| SI | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| SK | 3        | / | 3         | 100%                  | 100%               | 100%                    | 100%                 | 5        | / | 6         | 83%                   | 88%                | 67%                     | 87%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| UK | 0        | / | 0         | -                     | -                  | -                       | -                    | 0        | / | 6         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 0         | -                     | -                  | -                       | -                    |
| TC | 0        | / | 0         | -                     | -                  | -                       | -                    | 79       | / | 162       | 49%                   | 50%                | 46%                     | 48%                  | 0        | / | 0         | -                     | -                  | -                       | -                    |

Source: Survey

**Table 7 – Response rate by Member State for ESF/ESF+, EMFF/EMFAF and EAFRD**

| MS | ESF/ESF+ |   |           |                       |                    |                         | EMFF/EMFAF           |          |   |           |                       |                    | EAFRD                   |                      |          |   |           |                       |                    |                         |                      |
|----|----------|---|-----------|-----------------------|--------------------|-------------------------|----------------------|----------|---|-----------|-----------------------|--------------------|-------------------------|----------------------|----------|---|-----------|-----------------------|--------------------|-------------------------|----------------------|
|    | Complete | / | No.progr. | RR No.progr. complete | RR Budget complete | RR No.progr. quality OK | RR Budget quality OK | Complete | / | No.progr. | RR No.progr. complete | RR Budget complete | RR No.progr. quality OK | RR Budget quality OK | Complete | / | No.progr. | RR No.progr. complete | RR Budget complete | RR No.progr. quality OK | RR Budget quality OK |
| AT | 2        | / | 3         | 67%                   | 99%                | 33%                     | 48%                  | 2        | / | 2         | 100%                  | 100%               | 50%                     | 52%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| BE | 4        | / | 9         | 44%                   | 94%                | 33%                     | 72%                  | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 1        | / | 2         | 50%                   | 49%                | 50%                     | 49%                  |
| BG | 6        | / | 6         | 100%                  | 100%               | 67%                     | 70%                  | 1        | / | 2         | 50%                   | 46%                | 50%                     | 46%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| CY | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 2         | 50%                   | 49%                | 50%                     | 49%                  | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| CZ | 5        | / | 5         | 100%                  | 100%               | 100%                    | 100%                 | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| DE | 5        | / | 35        | 14%                   | 29%                | 11%                     | 10%                  | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 10       | / | 14        | 71%                   | 79%                | 71%                     | 79%                  |
| DK | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 2        | / | 2         | 100%                  | 100%               | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| EE | 2        | / | 2         | 100%                  | 100%               | 50%                     | 48%                  | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| EL | 16       | / | 34        | 47%                   | 29%                | 32%                     | 15%                  | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| ES | 36       | / | 46        | 78%                   | 78%                | 63%                     | 36%                  | 1        | / | 2         | 50%                   | 53%                | 50%                     | 53%                  | 1        | / | 18        | 6%                    | 2%                 | 6%                      | 2%                   |
| FI | 3        | / | 4         | 75%                   | 100%               | 75%                     | 100%                 | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 |
| FR | 26       | / | 52        | 50%                   | 81%                | 29%                     | 44%                  | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 29        | 0%                    | 0%                 | 0%                      | 0%                   |
| HR | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| HU | 10       | / | 10        | 100%                  | 100%               | 90%                     | 94%                  | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| IE | 2        | / | 2         | 100%                  | 100%               | 0%                      | 0%                   | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| IT | 11       | / | 56        | 20%                   | 23%                | 14%                     | 12%                  | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 4        | / | 23        | 17%                   | 23%                | 13%                     | 17%                  |
| LT | 2        | / | 3         | 67%                   | 97%                | 67%                     | 97%                  | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| LU | 2        | / | 2         | 100%                  | 100%               | 50%                     | 76%                  | 0        | / | 0         | -                     | -                  | -                       | -                    | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| LV | 2        | / | 3         | 67%                   | 98%                | 67%                     | 98%                  | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| MT | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| NL | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| PL | 30       | / | 35        | 86%                   | 90%                | 51%                     | 51%                  | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| PT | 19       | / | 19        | 100%                  | 100%               | 79%                     | 80%                  | 0        | / | 2         | 0%                    | 0%                 | 0%                      | 0%                   | 3        | / | 3         | 100%                  | 100%               | 100%                    | 100%                 |
| RO | 5        | / | 6         | 83%                   | 67%                | 33%                     | 35%                  | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| SE | 3        | / | 3         | 100%                  | 100%               | 67%                     | 100%                 | 1        | / | 2         | 50%                   | 41%                | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| SI | 2        | / | 3         | 67%                   | 98%                | 67%                     | 98%                  | 1        | / | 2         | 50%                   | 54%                | 50%                     | 54%                  | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| SK | 3        | / | 3         | 100%                  | 100%               | 67%                     | 94%                  | 2        | / | 2         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| UK | 0        | / | 6         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 4         | 0%                    | 0%                 | 0%                      | 0%                   |

Source: Survey

**Table 8 – Response rate by Member State for HOME Funds**

| MS | AMIF     |   |           |                       |                    |                         | BMVI                 |          |   |           |                       |                    | ISF                     |                      |          |   |           |                       |                    |                         |                      |
|----|----------|---|-----------|-----------------------|--------------------|-------------------------|----------------------|----------|---|-----------|-----------------------|--------------------|-------------------------|----------------------|----------|---|-----------|-----------------------|--------------------|-------------------------|----------------------|
|    | Complete | / | No.progr. | RR No.progr. complete | RR Budget complete | RR No.progr. quality OK | RR Budget quality OK | Complete | / | No.progr. | RR No.progr. complete | RR Budget complete | RR No.progr. quality OK | RR Budget quality OK | Complete | / | No.progr. | RR No.progr. complete | RR Budget complete | RR No.progr. quality OK | RR Budget quality OK |
| AT | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| BE | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| BG | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| CY | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| CZ | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| DE | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| DK | 0        | / | 0         | -                     | -                  | -                       | -                    | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 0         | -                     | -                  | -                       | -                    |
| EE | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| EL | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   |
| ES | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| FI | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   |
| FR | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| HR | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| HU | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| IE | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   | 0        | / | 0         | -                     | -                  | -                       | -                    | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| IT | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| LT | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| LU | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   |
| LV | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| MT | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| NL | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| PL | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| PT | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| RO | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| SE | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   | 0        | / | 1         | 0%                    | 0%                 | 0%                      | 0%                   |
| SI | 1        | / | 1         | 100%                  | 100%               | 0%                      | 0%                   | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |
| SK | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 | 1        | / | 1         | 100%                  | 100%               | 100%                    | 100%                 |

Source: Survey

## 2.2. Responses to questionnaire for beneficiaries

The survey was distributed to beneficiaries with the support of programme authorities who participated in the initial survey. Each authority was recontacted and asked to share a web survey link with their beneficiaries. The Table 9 below shows the responses at Funds/policy domain level, by Member State.

In total, 1 775 completed questionnaires were collected from 26 Member States (with no responses from beneficiaries in Cyprus or Ireland). Details on the types of respondents for each fund are provided in the fund-specific sections.

**Table 9 – Responses to questionnaire for beneficiaries**

| MS           | CF/ERDF/Interreg/JTF | ESF/ESF+   | EMFF/EMFAF | EAFRD     | AMIF/BMVI/ISF |
|--------------|----------------------|------------|------------|-----------|---------------|
| AT           | 22                   | 0          | 0          | 0         | 0             |
| BE           | 25                   | 21         | 0          | 1         | 2             |
| BG           | 33                   | 181        | 0          | 3         | 0             |
| CY           | 0                    | 0          | 0          | 0         | 0             |
| CZ           | 28                   | 4          | 0          | 0         | 1             |
| DE           | 111                  | 33         | 1          | 3         | 47            |
| DK           | 2                    | 0          | 0          | 0         | 0             |
| EE           | 3                    | 1          | 0          | 0         | 0             |
| EL           | 21                   | 1          | 0          | 0         | 0             |
| ES           | 18                   | 55         | 104        | 33        | 0             |
| FI           | 90                   | 34         | 0          | 1         | 9             |
| FR           | 8                    | 3          | 3          | 1         | 8             |
| HR           | 126                  | 38         | 0          | 3         | 1             |
| HU           | 25                   | 1          | 0          | 0         | 0             |
| IE           | 0                    | 0          | 0          | 0         | 0             |
| IT           | 88                   | 48         | 1          | 0         | 0             |
| LT           | 9                    | 0          | 0          | 0         | 10            |
| LU           | 1                    | 4          | 0          | 0         | 0             |
| LV           | 12                   | 1          | 0          | 8         | 0             |
| MT           | 1                    | 1          | 3          | 4         | 3             |
| NL           | 4                    | 10         | 0          | 0         | 0             |
| PL           | 81                   | 205        | 1          | 4         | 0             |
| PT           | 14                   | 6          | 1          | 0         | 0             |
| RO           | 5                    | 0          | 0          | 0         | 0             |
| SE           | 53                   | 49         | 0          | 0         | 0             |
| SI           | 18                   | 3          | 0          | 1         | 0             |
| SK           | 20                   | 0          | 0          | 0         | 0             |
| UK           | 0                    | 0          | 0          | 1         | 0             |
| <b>TOTAL</b> | <b>818</b>           | <b>699</b> | <b>114</b> | <b>63</b> | <b>81</b>     |

Source: survey

## 3. DG AGRI Fund – EAFRD

### 3.1. SCO use in 2014-2020

The table below displays data regarding SCO use under EAFRD in 2014-2020 as percentages and totals. The percentage is the SCO share of the budgets of programmes that participated in the survey. For more detail, refer to the first and second steps of the process outlined in Chapter 1.4. The amounts in the last column are estimates of the potential budget covered at EU level including both EU and national co-financing. This is determined by applying the programme budget share of the entire EAFRD budget (including co-financing) at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4).

It is important to highlight that all figures in this chapter exclusively concern the use of SCOs under non-IACS measures. In other words, surface-based unit costs and other forms of unit cost reimbursement applied within EAFRD IACS measures are explicitly excluded from the scope of this study.

**Table 10 – EAFRD SCO use in 2014-2020**

|      | (1) % of OP budget covered | (2) Estimated OP budget covered at EU level (EUR bn) |
|------|----------------------------|--|
| SCOs | 4.6%                       | 9.180  |

SCO use of 4.6% in the respondent EAFRD programmes would cover over EUR 9 billion if applied to the total EAFRD budget.

The table below shows the percentage of EAFRD budget covered by SCO schemes at Member State level.

**Table 11 – EAFRD SCO use in 2014-2020 by Member State**

| Member State | SCOs     |
|--------------|----------|
| AT           | 0.05%    |
| BE           | 7.54%    |
| BG           | 0.29%    |
| CY           | No reply |
| CZ           | 0.01%    |
| DE           | 1.50%    |
| DK           | No reply |
| EE           | No reply |
| EL           | 14.37%   |
| ES           | 23.37%   |
| FI           | 2.00%    |

| Member State | SCOs     |
|--------------|----------|
| FR           | No reply |
| HR           | No reply |
| HU           | 7.35%    |
| IE           | No reply |
| IT           | 1.64%    |
| LT           | 1.34%    |
| LU           | No reply |
| LV           | 5.08%    |
| MT           | 3.16%    |
| NL           | 1.82%    |
| PL           | 14.06%   |
| PT           | 3.37%    |
| RO           | 0.08%    |
| SE           | No reply |
| SI           | 2.20%    |
| SK           | 0.29%    |
| UK           | No reply |

As presented in the table above, at the end of the 2014-2020 period, three Member States covered more than 10% of their EAFRD budget using SCOs: Greece, Spain and Poland. On the other hand, five Member States used less than 1%: Austria, Bulgaria, Czechia, Romania and Slovakia.

### 3.1.1. Types of SCO used in 2014-2020

The table below illustrates the use of flat rate, unit cost and lump sum SCOs as the share of programme budget covered by each type per Member State.

**Table 12 – EAFRD Type of SCO at lower level in 2014-2020**

| Member State | Lower level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | 0.02%              | 0.03%     | 0.00%    |
| BE           | 3.38%              | 0.00%     | 4.16%    |
| BG           | 0.29%              | 0.00%     | 0.00%    |
| CY           | No reply           | No reply  | No reply |
| CZ           | 0.01%              | 0.00%     | 0.00%    |
| DE           | 0.72%              | 0.15%     | 0.63%    |
| DK           | No reply           | No reply  | No reply |
| EE           | No reply           | No reply  | No reply |
| EL           | 14.37%             | 0.00%     | 0.00%    |
| ES           | 22.17%             | 0.63%     | 0.57%    |
| FI           | 0.00%              | 1.93%     | 0.06%    |
| FR           | No reply           | No reply  | No reply |
| HR           | No reply           | No reply  | No reply |
| HU           | 4.74%              | 0.00%     | 2.62%    |

| Member State  | Lower level        |             |             |
|---------------|--------------------|-------------|-------------|
|               | Budget covered (%) |             |             |
|               | Flat Rate          | Unit Cost   | Lump Sum    |
| IE            | No reply           | No reply    | No reply    |
| IT            | 1.63%              | 0.01%       | 0.00%       |
| LT            | 1.06%              | 0.28%       | 0.00%       |
| LU            | No reply           | No reply    | No reply    |
| LV            | 4.90%              | 0.15%       | 0.03%       |
| MT            | 0.00%              | 0.00%       | 3.16%       |
| NL            | 0.79%              | 1.03%       | 0.00%       |
| PL            | 0.22%              | 0.76%       | 13.08%      |
| PT            | 2.31%              | 0.12%       | 0.94%       |
| RO            | 0.08%              | 0.00%       | 0.00%       |
| SE            | No reply           | No reply    | No reply    |
| SI            | 1.93%              | 0.24%       | 0.03%       |
| SK            | 0.16%              | 0.12%       | 0.01%       |
| UK            | No reply           | No reply    | No reply    |
| <b>TOTAL*</b> | <b>0.3%</b>        | <b>1.8%</b> | <b>2.5%</b> |

\*Coverage of budget at EU level for each type of SCO.

For most Member States, flat rate SCOs cover the most budget. However, at EU level (last row of the table), lump sum SCOs cover the most, 2.5%, followed by unit costs.

### 3.1.2. EAFRD measures covered by SCOs in 2014-2020

The table below shows the distribution of SCOs by EAFRD measure calculated from the number of SCOs identified for each measure in the EAFRD survey. The total is over 100% because each SCO can cover multiple measures.

**Table 13 – SCO coverage of EAFRD measures**

| EAFRD measure  | % of SCOs |
|--|-----------|
| Measure 1: Knowledge transfer and information                                      | 36%       |
| Measure 2: Advisory services, farm management and relief services                  | 2%        |
| Measure 3: Quality schemes for agriproducts and foodstuffs                         | 3%        |
| Measure 4: Investments in physical assets  | 34%       |
| Measure 5: Natural disasters: restoring production potential and preventing damage | 11%       |
| Measure 6: Farm and business development   | 5%        |
| Measure 7: Basic services and village renewal in rural areas                       | 8%        |
| Measure 8: Investments in forest area development and improvement of the viability | 18%       |
| Measure 9: Setting up of producer groups and organisations                         | 0%        |
| Measure 10: Agri-environment-climate   | 4%        |
| Measure 11: Organic farming  | 0%        |
| Measure 12: Natura 2000 and Water Framework Directive payments                     | 0%        |
| Measure 13: Payments to areas facing natural or other specific constraints         | 0%        |
| Measure 14: Animal welfare   | 0%        |

| EAFRD measure   | % of SCOs |
|---|-----------|
| Measure 15: Forest-environmental and climate services and forest conservation | 6%        |
| Measure 16: Cooperation   | 31%       |
| Measure 17: Risk management   | 0%        |
| Measure 18: Complementary direct payments for Croatia                         | 0%        |
| Measure 19: Support for LEADER local development (CLLD)                       | 38%       |
| Measure 20: Technical assistance  | 4%        |

Almost 40% of the SCOs were used with EAFRD technical assistance (measure 19) as well as knowledge transfer and information actions (measure 1). Furthermore, 34% were used for investments in physical assets through measure 4 and 31% for cooperation through measure 16.

### 3.1.3. Beneficiaries covered by SCOs in 2014-2020

The table below illustrates the distribution by type of beneficiary based on SCOs identified in the EAFRD survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 14 – Beneficiaries reimbursed through SCOs for EAFRD operations**

| Type of beneficiary                      | % of SCOs |
|--|-----------|
| Agrifood/ agricultural SMEs              | 45%       |
| Agrifood/ agricultural micro-enterprises | 42%       |
| Training organisations                   | 24%       |
| Municipalities                           | 20%       |
| Research centres                         | 19%       |
| Agrifood/ agricultural large enterprises | 18%       |
| Regional authorities                     | 3%        |

Many EAFRD SCO (45%) covered operations implemented by agrifood/ agricultural SMEs. Other major beneficiaries were agrifood/ agricultural micro-enterprises (42%), as well as municipalities (20%). Only 3% of the SCOs reimbursed regional authorities.

### 3.1.4. Types of costs covered by SCOs in 2014-2020

The table below shows the distribution of SCOs across types of costs calculated from SCOs identified in the EAFRD survey for each type of cost. The total is more than 100% because each SCO can cover multiple costs.

**Table 15 – Types of costs covered by SCOs**

| Type of costs                     | % of SCOs |
|-----------------------------------|-----------|
| Direct costs                      | 57%       |
| All costs of the operation        | 34%       |
| Indirect costs                    | 17%       |
| All direct costs other than staff | 2%        |

The majority of EAFRD SCO schemes (57%) covered direct costs of the operations, while around a third (34%) covered all the costs. Only 17% covered indirect costs.

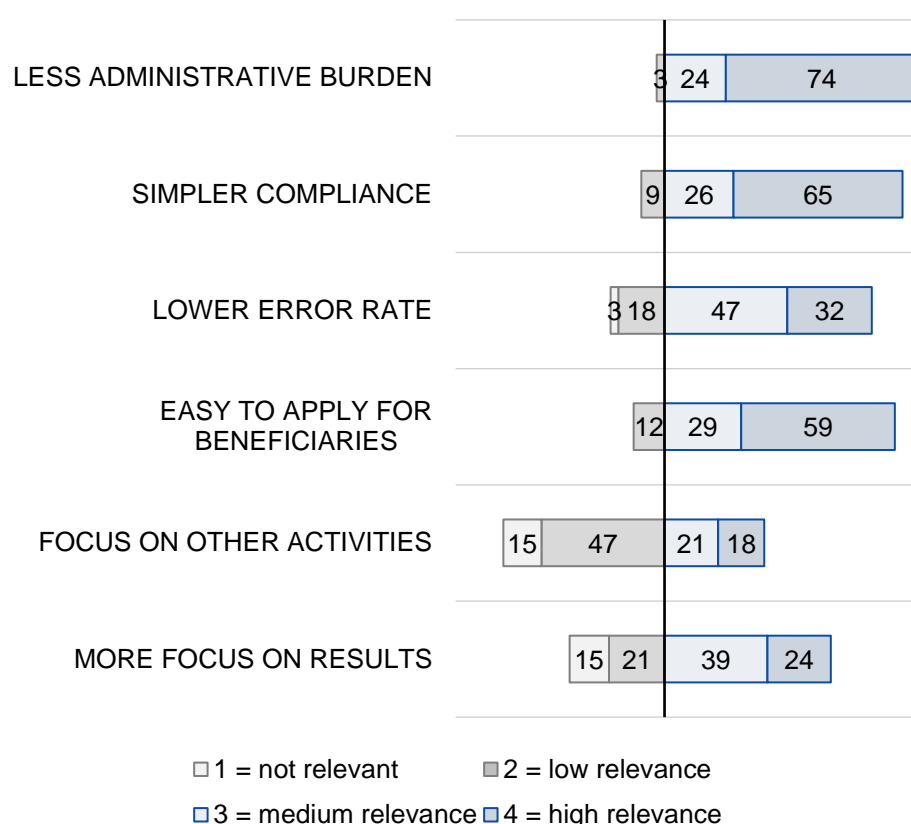


## 3.2. EAFRD stakeholder perceptions of SCO

### 3.2.1. Advantages, challenges and reasons for not using SCO

This section presents qualitative responses regarding the advantages of SCO schemes as well as issues encountered when developing them. It also includes feedback from respondents who did not use SCO.

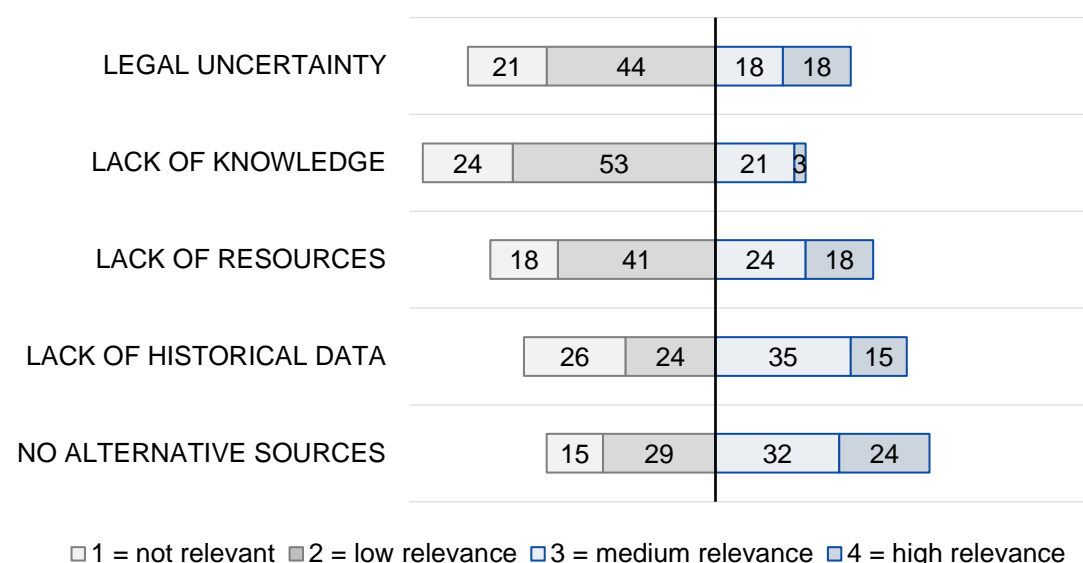
**Figure 7 - Advantages of SCO schemes for EAFRD programme authorities in 2014-2020 (values in %)**



The greatest advantage of SCO schemes for EAFRD programmes is the reduced administrative burden (highly relevant for 74% of respondents), followed by simpler compliance checks and an easier application process for beneficiaries.

The survey also aimed at mapping issues encountered by programme authorities when developing the SCO schemes, as presented in the figure below.

**Figure 8 - Challenges faced in developing SCO schemes for EAFRD programme authorities in 2014-2020 (values in %)**



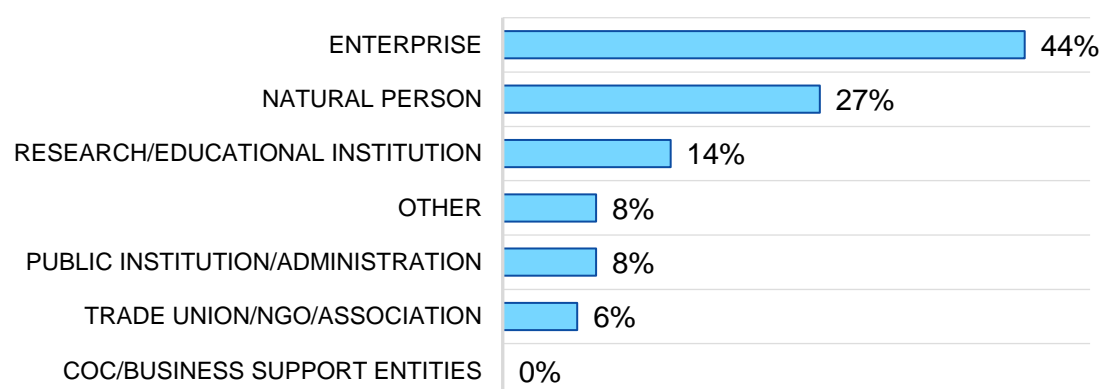
For EAFRD programme authorities, the difficulties of finding alternative data sources as well as the limited availability of historical data are the most relevant hindrances when developing these schemes.

The main reasons for programme authorities to not use any SCO schemes were the lack of information as well as the potential burden.

### 3.2.2. Perception of beneficiaries

The survey of EAFRD beneficiaries was conducted in July and August 2024 and resulted in 63 complete replies. The figure below shows the types of beneficiaries responding to the survey.

**Figure 9 – Types of EAFRD beneficiaries responding to the survey**

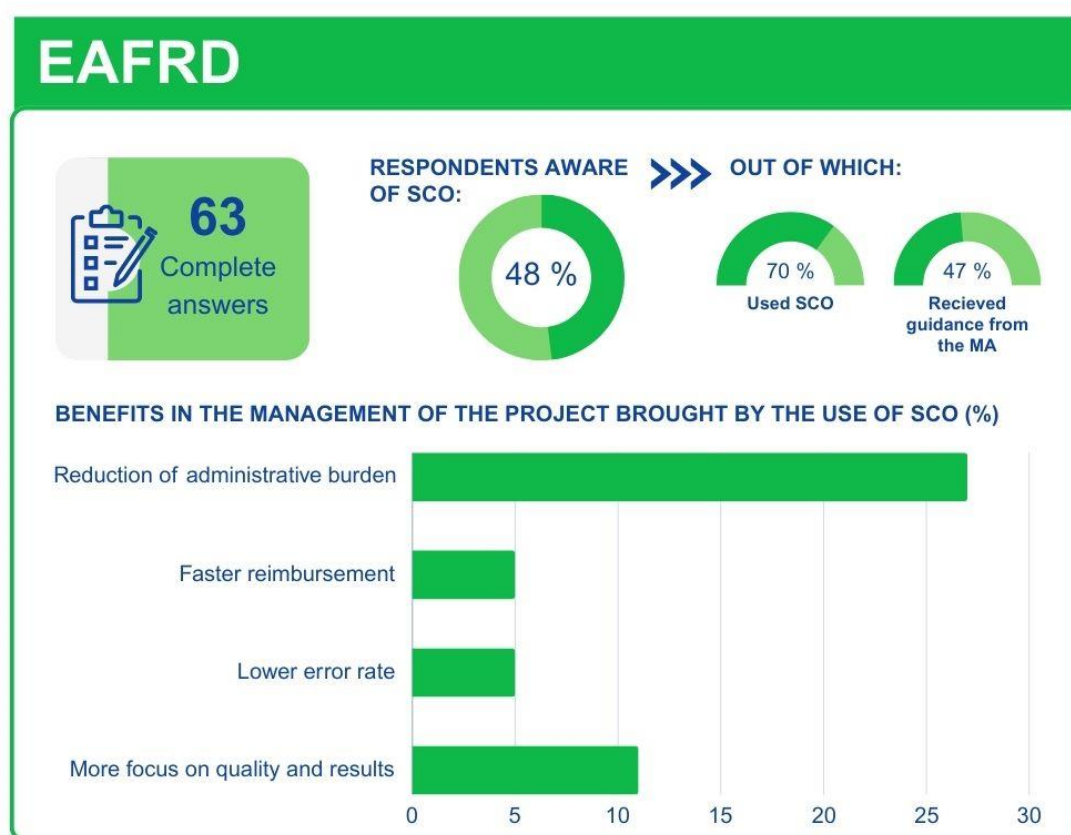


Almost half the respondents were enterprises and many were natural persons or research/education institutions.

The factsheet below highlights that almost half the respondents (48%) were aware of SCOs (no responses were received regarding FNLC). Of those, 70% used SCOs, while 47% received training, workshops, or guidelines from the managing authority.

Almost all the EAFRD beneficiaries who completed the survey and used SCOs declared they benefitted project management (86%). For them, less administrative burden was the main benefit (27%), which matches programme authority inputs presented in the previous sections. In addition, 11% of the beneficiaries agreed that SCOs enabled them to focus more on the quality and results of their project.

**Figure 10 - Data collected through the survey concerning EAFRD beneficiaries**



The analysis of responses to open-ended questions on lessons learnt and recommendations to encourage the wider adoption of SCOs does not provide many insights. Only two specific recommendations were made:

- One respondent emphasised the importance of regularly updating SCOs to avoid misalignment with inflationary trends.
- Another suggested extending the Interreg practice to the LEADER framework, allowing personnel costs to be covered through SCOs without requiring timesheets. Instead, at the start of the project, an assignment letter would specify the percentage of work time allocated to the project by the individual expert.

The final section of the survey invited beneficiaries to share their perspectives on barriers and obstacles limiting access to CPR Funds. The responses from EAFRD beneficiaries highlighted two issues: the administrative burden associated with project management and the length and complexity of the project selection process.

## 4. DG EMPL Funds – ESF/ESF+

### 4.1. Key findings

The table below summarises the uptake of simplification measures covered by this study across two programming periods.

The first column shows the use of simplification measures at both lower and upper levels during the 2014–2020 period. The second column presents the coverage of simplification measures mapped by this study for the 2021–2027 programming period, combining schemes ‘in use’ and ‘programmed.’

For both programming periods and at both levels, the table shows uptake as a share of the ESF/ESF+ budget. Additionally, it shows uptake from the ESF/ESF+ budget excluding financial instruments, for which SCOs and FNLC are not applicable.

**Table 16 – Simplification measure use in ESF/ESF+**

|                         |  | 2014-2020 | 2021-2027  |
|-------------------------|--|-----------|------------|
|                         |  | SCO       | SCO + FNLC |
| Coverage at lower level | Total budget                                 | 31.5%     | 49.8%      |
|                         | Total budget excluding financial instruments | 31.8%     | 50.0%      |
| Coverage at upper level | Total budget                                 | 6.5%      | 24.9%      |
|                         | Total budget excluding financial instruments | 6.6%      | 25.0%      |

### 4.2. Use of SCOs in 2014-2020

The first two rows in the table below present lower level use of SCOs in 2014-2020. The first row shows the total budget covered by the end of the programming period. The second row details the amount covered by operations under EUR 100 000 (mandatory under Article 67(2)(a) of Regulation (EU) 1303/2013). The final row provides data on upper level SCO use between the Commission and Member States<sup>4</sup>.

The percentage is based on the total covered by SCOs identified through the study and the budgets of programmes that participated in the survey. For more detail, please refer to the first and second steps of the process outlined in Chapter 1.4. The amounts in the last column are estimates of the potential budget covered at EU level, including both EU and national co-financing. This applies the percentage covered by identified SCOs to the

<sup>4</sup> Approved under Article 14(1) of Regulation (EU) 1304/2013

entire ESF budget (including co-financing) at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4).

**Table 17 – ESF SCO use in 2014-2020**

|                        | (1) % of OP budget covered | (2) Estimated OP budget covered at EU level (EUR bn) |
|------------------------|----------------------------|--|
| All SCOs               | 31.5%                      | 44.245   |
| Of which SCO <100k     | 3.6%                       | 5.118  |
| Of which article 14(1) | 6.5%                       | 9.174  |

If scaled up to EU level, SCO use within ESF could account for around EUR 44 billion, a third of the total ESF budget. Of this, approximately EUR 5 billion would be for operations costing less than EUR 100 000 which was mandatory under Article 67(2)(a) of Regulation (EU) 1303/2013. Some EUR 9.2 billion would be for upper level SCO schemes approved under Article 14(1) of Regulation (EU) 1304/2013.

The table below shows SCO use at Member State level. The first column shows the percentage of ESF budget covered at the lower level, while the second column details the portion of lower level SCOs covered by small operations, highlighting the impact of the mandatory use of SCOs for operations costing less than EUR 100 000. The third column displays the percentage of total budget covered by upper level schemes. As an example, in Czechia, 30.4% of the total ESF budget was covered by SCOs at the lower level; 2.1% of this 30.4% covered small operations; additionally, 18.4% of the ESF budget was covered by upper level schemes.

Member States that did not complete the questionnaire are marked in the table as 'No reply,' while those that provided only partial responses (e.g., no quantitative data on amounts) or inconsistent responses which did not pass the quality check (see section 1.3) are marked as 'Partial.'

**Table 18 – ESF SCO use in 2014-2020 by Member State**

| MS | Lower level |                     | Upper level       |
|----|-------------|---------------------|-------------------|
|    | SCOs        | Of which SCOs <100k | SCOs              |
| AT | partial     | partial             | partial           |
| BE | 19.1%       | 0.0%                | 0.0% <sup>5</sup> |
| BG | 36.8%       | 0.0%                | 0.0%              |
| CY | 29.3%       | 0.0%                | 20.2%             |
| CZ | 30.4%       | 2.1%                | 18.4%             |
| DE | 31.9%       | 0.0%                | 0.0%              |
| DK | 32.3%       | 1.0%                | 0.0%              |
| EE | 18.7%       | 0.0%                | 0.0%              |
| EL | 31.6%       | 0.0%                | 0.0%              |
| ES | 47.6%       | 18.2%               | 0.3%              |

<sup>5</sup> Responses from Belgium were incomplete. The ESF Programme for Flanders participated in the survey but was unable to provide data on amounts covered by SCOs.

| Lower level |          |                     | Upper level |
|-------------|----------|---------------------|-------------|
| MS          | SCOs     | Of which SCOs <100k | SCOs        |
| FI          | 13.5%    | 2.9%                | 1.1%        |
| FR          | 26.4%    | 0.9%                | 1.4%        |
| HR          | 23.0%    | 0.0%                | 23.0%       |
| HU          | 9.0%     | 0.0%                | 0.0%        |
| IE          | partial  | partial             | partial     |
| IT          | 44.0%    | 11.9%               | 5.1%        |
| LT          | 25.2%    | 0.0%                | 0.0%        |
| LU          | 23.1%    | 0.7%                | 0.0%        |
| LV          | 56.3%    | 0.0%                | 0.0%        |
| MT          | 83.4%    | 10.9%               | 70.1%       |
| NL          | 32.0%    | 0.0%                | 17.0%       |
| PL          | 26.3%    | 0.5%                | 0.7%        |
| PT          | 30.8%    | 0.6%                | 1.2%        |
| RO          | partial  | partial             | partial     |
| SE          | 80.2%    | 0.2%                | 80.2%       |
| SI          | 62.2%    | 0.0%                | 0.0%        |
| SK          | 14.1%    | 0.0%                | 0.1%        |
| UK          | No reply | No reply            | No reply    |

As presented in the table above, at the end of the 2014-2020 period, four Member States covered more than 50% of their ESF budget using SCOs: Latvia, Malta, Sweden and Slovenia.

#### 4.2.1. Types of SCO used in 2014-2020

The table below illustrates the use of flat rate, unit cost and lump sum SCOs as the share of total programme budget covered by each type at the lower level.

**Table 19 – ESF Types of SCO at the lower level in 2014-2020<sup>6</sup>**

| Member State | Lower level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | partial            | partial   | partial  |
| BE           | 19.1%              | 0.0%      | 0.0%     |
| BG           | 7.7%               | 29.1%     | 0.0%     |
| CY           | 1.1%               | 28.0%     | 0.3%     |
| CZ           | 8.1%               | 22.4%     | 0.0%     |
| DE           | 0.0%               | 31.9%     | 0.0%     |
| DK           | 13.6%              | 18.7%     | 0.0%     |
| EE           | 4.1%               | 13.5%     | 1.2%     |

<sup>6</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

| Member State   | Lower level        |              |             |
|----------------|--------------------|--------------|-------------|
|                | Budget covered (%) |              |             |
|                | Flat Rate          | Unit Cost    | Lump Sum    |
| EL             | 21.0%              | 10.0%        | 0.6%        |
| ES             | 12.0%              | 35.3%        | 0.3%        |
| FI             | 12.4%              | 0.0%         | 1.1%        |
| FR             | 23.2%              | 2.2%         | 1.0%        |
| HR             | 0.0%               | 23.0%        | 0.0%        |
| HU             | 9.0%               | 0.0%         | 0.0%        |
| IE             | partial            | partial      | partial     |
| IT             | 11.1%              | 27.2%        | 5.6%        |
| LT             | 0.3%               | 24.9%        | 0.0%        |
| LU             | 0.2%               | 22.1%        | 0.8%        |
| LV             | 0.3%               | 52.0%        | 4.1%        |
| MT             | 4.1%               | 79.3%        | 0.0%        |
| NL             | 15.0%              | 17.0%        | 0.0%        |
| PL             | 16.1%              | 8.4%         | 1.8%        |
| PT             | 1.8%               | 28.6%        | 0.4%        |
| RO             | partial            | partial      | partial     |
| SE             | 0.0%               | 80.0%        | 0.2%        |
| SI             | 4.1%               | 57.6%        | 0.5%        |
| SK             | 6.2%               | 8.0%         | 0.0%        |
| UK             | No reply           | No reply     | No reply    |
| <b>TOTAL *</b> | <b>9.4%</b>        | <b>21.3%</b> | <b>0.8%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

The majority of Member States predominantly used unit costs. Specifically, in 18 of the 24 Member States that provided complete questionnaires, unit costs were the most frequently used. At EU level, unit costs account for 21.3% of the total budget, followed by flat rates, which cover 9.4%.

The table below details the types of SCO approved under Article 14(1) of Regulation (EU) 1304/2013 which excludes flat rates.

**Table 20 – ESF Types of SCO under Article 14(1) Regulation (EU) 1304/2013**

| Member State | Upper level        |          |
|--------------|--------------------|----------|
|              | Budget covered (%) |          |
|              | Unit Cost          | Lump Sum |
| AT           | partial            | partial  |
| BE           | 0.0%               | 0.0%     |
| BG           | 0.0%               | 0.0%     |
| CY           | 20.2%              | 0.0%     |
| CZ           | 18.4%              | 0.0%     |
| DE           | 0.0%               | 0.0%     |
| DK           | 0.0%               | 0.0%     |
| EE           | 0.0%               | 0.0%     |

| Member State  | Upper level        |             |
|---------------|--------------------|-------------|
|               | Budget covered (%) |             |
|               | Unit Cost          | Lump Sum    |
| EL            | 0.0%               | 0.0%        |
| ES            | 0.0%               | 0.3%        |
| FI            | 0.0%               | 1.1%        |
| FR            | 1.4%               | 0.0%        |
| HR            | 23.0%              | 0.0%        |
| HU            | 0.0%               | 0.0%        |
| IE            | partial            | partial     |
| IT            | 3.2%               | 1.8%        |
| LT            | 0.0%               | 0.0%        |
| LU            | 0.0%               | 0.0%        |
| LV            | 0.0%               | 0.0%        |
| MT            | 70.1%              | 0.0%        |
| NL            | 17.0%              | 0.0%        |
| PL            | 0.7%               | 0.0%        |
| PT            | 1.2%               | 0.0%        |
| RO            | partial            | partial     |
| SE            | 80.0%              | 0.2%        |
| SI            | 0.0%               | 0.0%        |
| SK            | 0.1%               | 0.0%        |
| UK            | No reply           | No reply    |
| <b>TOTAL*</b> | <b>6.3%</b>        | <b>0.2%</b> |

\*Coverage of the budget at EU level for each type of SCO.

At the upper level there is also a predominant use of unit costs. Specifically, in 10 of the 14 Member States, unit costs were the most frequently used. At EU level, unit costs account for 6.3% of the total budget, while lump sums cover only 0.2%.

## 4.2.2. Thematic objectives covered by SCOs in 2014-2020

The table below shows the distribution of SCOs across Thematic Objectives identified through the ESF survey. The total is more than 100% because each SCO can cover multiple Thematic Objectives.

**Table 21 – Coverage of ESF Thematic Objectives by SCO**

| Thematic objective  | % of SCOs |
|---|-----------|
| TO 8: Promoting sustainable and quality employment and supporting labour mobility         | 65%       |
| TO 9: Promoting social inclusion, combating poverty and any discrimination                | 66%       |
| TO 10: Investing in education and training for skills and lifelong learning               | 65%       |
| TO 11: Enhancing the capability of public authorities and efficient public administration | 3%        |

Some two thirds of SCOs are used for operations under TOs 8 (65%), 9 (66%) and 10 (65%). Only 3% are used to improve the efficiency of public administration (TO 11).

### 4.2.3. Beneficiaries covered by SCOs in 2014-2020

The table below illustrates the distribution of SCO among types of beneficiary. The percentage is calculated from the total number of SCOs identified for each type of beneficiary through the ESF survey. The analysis in the table includes schemes approved under EU Regulation 1304/2013 Article 14(1) to reimburse operations under EUR 200 000. The percentages total more than 100% because each SCO can cover multiple beneficiaries.

**Table 22 – Beneficiaries reimbursed through SCOs for ESF operations**

| Type of beneficiary  | % of SCOs |
|----------------------|-----------|
| Associations/NGOs    | 43%       |
| Municipalities       | 29%       |
| Regional authorities | 29%       |
| Schools              | 25%       |
| Universities         | 21%       |
| National authorities | 18%       |
| Employment agencies  | 13%       |
| Research centres     | 12%       |
| Health institutions  | 11%       |

Many SCOs (43%) are used for operations implemented by NGOs and associations. Other types of beneficiaries are municipalities and regional authorities (29% each), as well as schools (25%).

### 4.2.4. Type of costs covered by SCOs in 2014-2020

The table below shows the distribution of SCOs among the types of costs identified through the ESF survey. The total is more than 100% because each SCO can cover multiple costs.

**Table 23 – Types of costs covered by the SCOs**

| Type of costs                              | % of SCOs |
|--|-----------|
| Direct costs                               | 36%       |
| All costs of the operation                 | 27%       |
| Indirect costs                             | 19%       |
| All eligible costs other than direct staff | 12%       |
| Only staff costs                           | 1%        |

Over a third of the SCO schemes used under ESF (36%) cover only the direct costs of operations, while 27% cover all costs of the operations. Off-the-shelf schemes that cover only indirect costs account for 19%, while 12% cover all eligible costs except staff costs. Finally, just 1% of the schemes cover only direct staff costs.

### 4.3. Use of SCOs in 2021-2027

The first four rows in the table below present SCOs mapped at the lower level for the 2021–2027 programming period.

The first row shows the coverage of SCOs mapped in this study, aggregating schemes classified as ‘in use’ and ‘programmed’. The subsequent three rows provide a breakdown of the total already covered by SCOs, the amount covered by operations below EUR 200 000, and the portion already reimbursed to beneficiaries using SCOs.

The fifth and sixth rows focus on Member State defined SCOs at the upper level approved under Article 94(2) of the CPR. The fifth row presents the overall coverage, aggregating schemes already submitted to the Commission and those programmed. The sixth row details the amount covered by schemes that have already been submitted to the Commission.

The final two rows focus on Commission defined SCOs at the upper level under Article 94(4) of the CPR.

The percentage is based on SCO budgets of programmes that participated in the survey (for more detail, refer to the first and second steps of the process outlined in Chapter 1.4). The amounts in the last column are estimates of the potential budget covered at EU level including EU and national co-financing. This is determined by applying the percentage from the first column to the entire ESF+ budget (including co-financing) at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4). The only exception is for the calculation of amounts related to upper level Member State defined schemes in use approved under Article 94(2), which considers only amounts declared by survey respondents.

**Table 24 – Overview of SCO in ESF+ in 2021-2027**

|                                  |   | (1) % of programme budget covered | (2) Estimated programme budget covered at EU level (EUR bn) |
|----------------------------------|---|-----------------------------------|---|
| Lower level                      | SCOs mapped*<br>(in use + programmed)                   | 43.8%                             | 62.158  |
|                                  | - of which: SCOs in use                                 | 39.9%                             | 56.708  |
|                                  | - of which: SCOs mapped* <200k<br>(in use + programmed) | 10.8%                             | 15.349  |
|                                  | - of which: already reimbursed to beneficiaries         | 1.3%                              | 1.874   |
| Upper level<br>Article 94(2) CPR | SCOs mapped*<br>(in use + programmed)                   | 17.2%                             | 11.951  |
|                                  | - of which: SCOs in use                                 | 15.6%                             | 9.662   |
| Upper level<br>Article 94(4) CPR | Delegated act Art. 94(4)<br>2023/1676                   | 1.6%                              | 2.066   |
|                                  | Delegated act Art. 94(4)<br>2022/2175                   | 0.1%                              | 0.132   |

*\*The amounts covered by the SCO mapped includes both in use and programmed SCO schemes mapped by the survey.*

SCO use under ESF+ of approximately 44% would cover over EUR 62 billion if applied to the total ESF+ budget. Based on data from respondents, a significant portion of the expected impact is linked to existing schemes (over EUR 56 billion). SCO reimbursements of 1.3%, or EUR 1.9 billion, confirms some delay in implementation of the 2021-2027 funds and suggests that reduced costs and administrative burden will only be felt as financial absorption of the programmes progresses. The coverage of operations costing less than EUR 200 000 each is approximately EUR 15 billion.

The table below shows SCO use at Member State level. The first column shows the percentage of ESF+ budget covered at the lower level, while the second column details the portion of lower level SCOs covered by operations under EUR 200 000, providing an estimate of the impact of mandatory SCOs for small operations. The third column displays the percentage of the total budget covered by Member State defined schemes approved under Article 94(2) of the CPR, while the fourth column shows the coverage of Commission defined schemes approved under Article 94(4) of the CPR. As an example, in Austria, 48.4% of the total ESF+ budget is covered by SCOs at the lower level, with 31.8% specifically covering small operations and all schemes used at the lower level are also applied at the upper level through Article 94(2), as reflected by 48.4% in the third column.

For some Member States (identified in blue in the table), the coverage for 2021-2027 in the column 'SCOs mapped' is derived from 2014-2020 data. For more details see chapters 1.3 and 1.4.

**Table 25 –SCOs mapped in ESF+ in 2021-2027 at Member State level**

| Member State | Lower level |                     | Upper level   |               |
|--------------|-------------|---------------------|---------------|---------------|
|              | SCOs mapped | Of which SCOs <200k | Article 94(2) | Article 94(4) |
| AT           | 48.4%       | 31.8%               | 48.4%         | 0.0%          |
| BE           | 32.0%       | 0.2%                | 9.3%          | 0.0%          |
| BG           | 36.8%       | 3.8%                | 4.5%          | 0.0%          |
| CY           | 53.0%       | 0.0%                | 11.3%         | 0.0%          |
| CZ           | 64.7%       | 27.4%               | 30.2%         | 11.1%         |
| DE           | 41.7%       | 0.0%                | 30.3%         | 0.0%          |
| DK           | 73.7%       | 0.0%                | 0.0%          | 0.0%          |
| EE           | partial     | partial             | partial       | partial       |
| EL           | 34.7%       | 5.2%                | 0.0%          | 0.0%          |
| ES           | 54.4%       | 1.9%                | 7.6%          | 7.9%          |
| FI           | 72.8%       | 26.1%               | 0.0%          | 0.0%          |
| FR           | 37.3%       | 22.3%               | 7.9%          | 0.5%          |
| HR           | 24.3%       | 0.6%                | 24.3%         | 0.0%          |
| HU           | partial     | partial             | partial       | partial       |
| IE           | partial     | partial             | partial       | partial       |
| IT           | 49.7%       | 9.5%                | 6.3%          | 2.9%          |
| LT           | 33.6%       | 0.0%                | 33.6%         | 0.0%          |
| LU           | partial     | partial             | partial       | partial       |
| LV           | 56.3%       | 0.0%                | 0.0%          | 0.0%          |
| MT           | 47.5%       | 0.0%                | 17.3%         | 0.0%          |
| NL           | 65.0%       | 0.0%                | 62.0%         | 0.0%          |

| Member State | Lower level |                     | Upper level   |               |
|--------------|-------------|---------------------|---------------|---------------|
|              | SCOs mapped | Of which SCOs <200k | Article 94(2) | Article 94(4) |
| PL           | 29.0%       | 12.9%               | 0.0%          | 0.0%          |
| PT           | 51.7%       | 7.5%                | 39.0%         | 2.3%          |
| RO           | 31.0%       | 25.3%               | 31.0%         | 0.0%          |
| SE           | 80.2%       | 0.6%                | 0.0%          | 0.0%          |
| SI           | 62.2%       | 2.2%                | 0.0%          | 0.0%          |
| SK           | 32.6%       | 0.0%                | 0.0%          | 0.0%          |

As shown in the table above, by the end of the 2021-2027 period, ten Member States are expected to cover more than 50% of their ESF+ budget using lower level SCOs. These are: Cyprus, Czechia, Denmark, Spain, Finland, Latvia, Netherlands, Portugal, Sweden and Slovenia.

#### 4.3.1. Types of SCO used in 2021-2027

The table below illustrates the use of flat rate, unit cost and lump sum SCOs across Member States, with the share of total programme budget covered by each type of SCO.

**Table 26 – ESF+ Type of SCO at lower level in 2021-2027<sup>7</sup>**

| Member State | Lower level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | 0.0%               | 47.9%     | 0.4%     |
| BE           | 16.8%              | 15.2%     | 0.0%     |
| BG           | 7.7%               | 29.1%     | 0.0%     |
| CY           | 9.0%               | 44.0%     | 0.0%     |
| CZ           | 11.1%              | 49.0%     | 4.6%     |
| DE           | 1.4%               | 34.4%     | 6.0%     |
| DK           | 14.8%              | 58.9%     | 0.0%     |
| EE           | Partial            | partial   | partial  |
| EL           | 6.5%               | 28.3%     | 0.0%     |
| ES           | 8.6%               | 44.4%     | 1.4%     |
| FI           | 30.7%              | 30.2%     | 11.9%    |
| FR           | 25.4%              | 12.0%     | 0.0%     |
| HR           | 0.5%               | 23.8%     | 0.0%     |
| HU           | partial            | partial   | partial  |
| IE           | Partial            | partial   | partial  |
| IT           | 18.2%              | 29.8%     | 1.7%     |
| LT           | 0.3%               | 33.2%     | 0.0%     |
| LU           | Partial            | partial   | partial  |
| LV           | 0.3%               | 52.0%     | 4.1%     |

<sup>7</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

| Member State  | Lower level        |              |             |
|---------------|--------------------|--------------|-------------|
|               | Budget covered (%) |              |             |
|               | Flat Rate          | Unit Cost    | Lump Sum    |
| MT            | 14.9%              | 32.6%        | 0.0%        |
| NL            | 9.0%               | 56.0%        | 0.0%        |
| PL            | 15.5%              | 5.2%         | 8.4%        |
| PT            | 3.3%               | 48.1%        | 0.3%        |
| RO            | 0.0%               | 31.0%        | 0.0%        |
| SE            | 2.9%               | 76.7%        | 0.6%        |
| SI            | 4.1%               | 57.6%        | 0.5%        |
| SK            | 11.9%              | 20.7%        | 0.0%        |
| <b>TOTAL*</b> | <b>10.3%</b>       | <b>31.7%</b> | <b>1.7%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

The predominant use of unit costs is also confirmed for the 2021–2027 programming period. In fact, the overall increase in SCO lower level uptake between the two programming periods is almost entirely attributable to an 10% rise in the budget covered by unit costs, from 21.1% in 2014–2020 to 31.7% in 2021–2027 (for greater clarity, compare the previous table with Table 19).

The use of flat rates has remained stable (9.4% at EU level in 2014–2020 and 10.3% in 2021–2027). Meanwhile, the use of lump sums has seen a slight increase (0.9% at EU level in 2014–2020, rising to 1.7% in 2021–2027).

The significance of unit costs is underscored in the table below, which details the types of SCO approved or programmed to be approved under Article 94(2) of the CPR and Article 94(4) of the CPR.

**Table 27 – ESF+ Type of upper level SCO in 2021-2027<sup>8</sup>**

| Member State | Upper level Article 94(2) and Article 94(4) |           |          |
|--------------|---|-----------|----------|
|              | Budget covered (%)                          |           |          |
|              | Flat Rate                                   | Unit Cost | Lump Sum |
| AT           | 0.0%  | 47.9%     | 0.4%     |
| BE           | 0.0%  | 9.3%      | 0.0%     |
| BG           | 0.0%  | 4.5%      | 0.0%     |
| CY           | 0.0%  | 11.3%     | 0.0%     |
| CZ           | 0.0%  | 41.3%     | 0.0%     |
| DE           | 0.0%  | 30.3%     | 0.0%     |
| DK           | 0.0%  | 0.0%      | 0.0%     |
| EE           | Partial                                     | partial   | partial  |
| EL           | 0.0%  | 0.0%      | 0.0%     |
| ES           | 0.0%  | 14.1%     | 1.3%     |

<sup>8</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

| Member State  | Upper level Article 94(2) and Article 94(4) |              |             |
|---------------|---|--------------|-------------|
|               | Budget covered (%)                          |              |             |
|               | Flat Rate                                   | Unit Cost    | Lump Sum    |
| FI            | 0.0%  | 0.0%         | 0.0%        |
| FR            | 0.0%  | 8.3%         | 0.0%        |
| HR            | 0.5%  | 23.8%        | 0.0%        |
| HU            | partial                                     | partial      | partial     |
| IE            | Partial                                     | partial      | partial     |
| IT            | 0.0%  | 9.2%         | 0.0%        |
| LT            | 0.3%  | 33.2%        | 0.0%        |
| LU            | Partial                                     | partial      | partial     |
| LV            | 0.0%  | 0.0%         | 0.0%        |
| MT            | 0.0%  | 17.3%        | 0.0%        |
| NL            | 6.0%  | 56.0%        | 0.0%        |
| PL            | 0.0%  | 0.0%         | 0.0%        |
| PT            | 0.0%  | 41.1%        | 0.2%        |
| RO            | 0.0%  | 31.0%        | 0.0%        |
| SE            | 0.0%  | 0.0%         | 0.0%        |
| SI            | 0.0%  | 0.0%         | 0.0%        |
| SK            | 0.0%  | 0.0%         | 0.0%        |
| <b>TOTAL*</b> | <b>0.1%</b>                                 | <b>18.6%</b> | <b>0.1%</b> |

\* The 'total' row displays the percentage of the budget covered by SCO at the EU level.

The 2021-2027 SCO regulation allows for different approaches at lower and upper levels. It permits to use SCOs under Article 94 of the CPR at the upper level, but at the lower level different SCOs or even actual costs can be used.

The survey reveals a consistent approach between lower and upper levels, with all SCOs adopted under Article 94 of the CPR also being implemented at the lower level. The table below focuses on the lower level and highlights, for each Member State, the 'weight' of schemes approved under Article 94 in the financial flow to beneficiaries. The table shows the budget share covered by SCOs for beneficiaries, distinguishing between those exclusively for the lower level (Article 53) and those also used for payment requests to the Commission (Article 94). The latter category is further divided into schemes under Article 94(2) of the CPR and 'EU level SCOs' under Article 94(4) of the CPR.

**Table 28 – SCOS at lower level under ESF+ : Article 53 vs Article 94 CPR**

| Member State | Lower level                               |                     |                        |                        |
|--------------|---|---------------------|------------------------|------------------------|
|              | Total SCOs planned (Articles 53 + 94 CPR) | Of which Article 53 | Of which Article 94(2) | Of which Article 94(4) |
| AT           | 48.4%                                     | 0.0%                | 48.4%                  | 0.0%                   |
| BE           | 32.0%                                     | 22.6%               | 9.3%                   | 0.0%                   |
| BG           | 36.8%                                     | 31.0%               | 5.8%                   | 0.0%                   |
| CY           | 53.0%                                     | 41.7%               | 11.3%                  | 0.0%                   |
| CZ           | 64.7%                                     | 23.5%               | 30.2%                  | 11.1%                  |

| Member State | Lower level                               |                     |                        |                        |
|--------------|---|---------------------|------------------------|------------------------|
|              | Total SCOs planned (Articles 53 + 94 CPR) | Of which Article 53 | Of which Article 94(2) | Of which Article 94(4) |
| DE           | 41.7%                                     | 11.4%               | 30.3%                  | 0.0%                   |
| DK           | 73.7%                                     | 73.7%               | 0.0%                   | 0.0%                   |
| EE           | Partial                                   | partial             | partial                | partial                |
| EL           | 34.7%                                     | 34.7%               | 0.0%                   | 0.0%                   |
| ES           | 54.4%                                     | 38.9%               | 7.6%                   | 7.9%                   |
| FI           | 72.8%                                     | 72.8%               | 0.0%                   | 0.0%                   |
| FR           | 37.3%                                     | 29.0%               | 7.9%                   | 0.5%                   |
| HR           | 24.3%                                     | 0.0%                | 24.3%                  | 0.0%                   |
| HU           | partial                                   | partial             | partial                | partial                |
| IE           | Partial                                   | partial             | partial                | partial                |
| IT           | 49.7%                                     | 40.5%               | 6.3%                   | 2.9%                   |
| LT           | 33.6%                                     | 0.0%                | 33.6%                  | 0.0%                   |
| LU           | Partial                                   | partial             | partial                | partial                |
| LV           | 56.3%                                     | 56.3%               | 0.0%                   | 0.0%                   |
| MT           | 47.5%                                     | 30.1%               | 17.3%                  | 0.0%                   |
| NL           | 65.0%                                     | 3.0%                | 62.0%                  | 0.0%                   |
| PL           | 29.0%                                     | 29.0%               | 0.0%                   | 0.0%                   |
| PT           | 51.7%                                     | 10.4%               | 39.0%                  | 2.3%                   |
| RO           | 31.0%                                     | 0.0%                | 31.0%                  | 0.0%                   |
| SE           | 80.2%                                     | 80.2%               | 0.0%                   | 0.0%                   |
| SI           | 62.2%                                     | 62.2%               | 0.0%                   | 0.0%                   |
| SK           | 32.6%                                     | 32.6%               | 0.0%                   | 0.0%                   |

### 4.3.2. Specific Objectives covered by SCOs in 2021-2027

The table below shows the distribution of SCOs across Specific Objectives identified through the ESF+ survey. The percentages total more than 100% because each SCO can cover multiple Specific Objectives.

**Table 29 – Coverage of ESF+ Specific Objectives per SCO**

| Specific objective   | % of SCOs |
|--|-----------|
| SO 4.1: Access to employment and activation measures for all | 50%       |
| SO 4.2: Modernising labour market institutions               | 7%        |
| SO 4.3: Gender balanced labour market participation          | 12%       |
| SO 4.4: Adaptation of workers and enterprises to change      | 11%       |
| SO 4.5: Improving education and training systems             | 16%       |
| SO 4.6: Quality and inclusive education and training systems | 32%       |
| SO 4.7: Lifelong learning and career transitions             | 25%       |
| SO 4.8: Active inclusion and employability                   | 31%       |
| SO 4.9: Integration of third country nationals               | 6%        |

| Specific objective  | % of SCOs |
|---|-----------|
| SO 4.10: Integration of marginalised communities                | 8%        |
| SO 4.11: Equal access to quality social and healthcare services | 15%       |
| SO 4.12: Social integration of people at risk                   | 12%       |
| SO 4.13: Addressing material deprivation                        | 3%        |
| Technical assistance  | 5%        |

Half the SCOs (50%) are used for ESF+ operations on access to employment and activation measures for all (SO 4.1). Furthermore, 32% and 31%, respectively, are used for operations promoting inclusion, through SO 4.6 (quality and inclusive education and training systems) and SO 4.8 (active inclusion and employability). Only 7% are used to modernise labour market institutions (SO 4.2). The least covered is SO 4.13 addressing material deprivation (3%).

### 4.3.3. Beneficiaries covered by SCOs in 2021-2027

The table below illustrates the distribution of SCOs for different types of beneficiaries. The percentage is calculated from the number of SCOs for each type of beneficiary identified in the ESF+ survey. The percentages total more than 100% because each SCO can cover multiple beneficiaries.

**Table 30 – Beneficiaries reimbursed through SCOs for ESF+ operations**

| Type of beneficiary           | % of SCOs |
|-------------------------------|-----------|
| NGOs/Associations             | 49%       |
| Municipalities                | 35%       |
| Regional authorities          | 34%       |
| Schools                       | 31%       |
| National authorities          | 22%       |
| Employment agencies           | 14%       |
| Health institutions           | 14%       |
| Research centres/universities | 10%       |

Approximately half the SCOs (49%) are used under operations implemented by NGOs and associations. Other significant types of beneficiaries are municipalities/local authorities (35%), regional authorities (34%) and schools (31%). Only 10% of the SCOs reimburse research centres/universities.

### 4.3.4. Type of costs covered by SCO in 2021-2027

The table below shows the distribution of SCOs across different types of costs identified through the ESF+ survey.

**Table 31 – Types of costs covered by the SCOs**

| Type of costs                       | % of SCOs |
|-------------------------------------|-----------|
| Direct costs                        | 38%       |
| All costs of the operation          | 30%       |
| Indirect costs                      | 18%       |
| All eligible costs other than staff | 14%       |

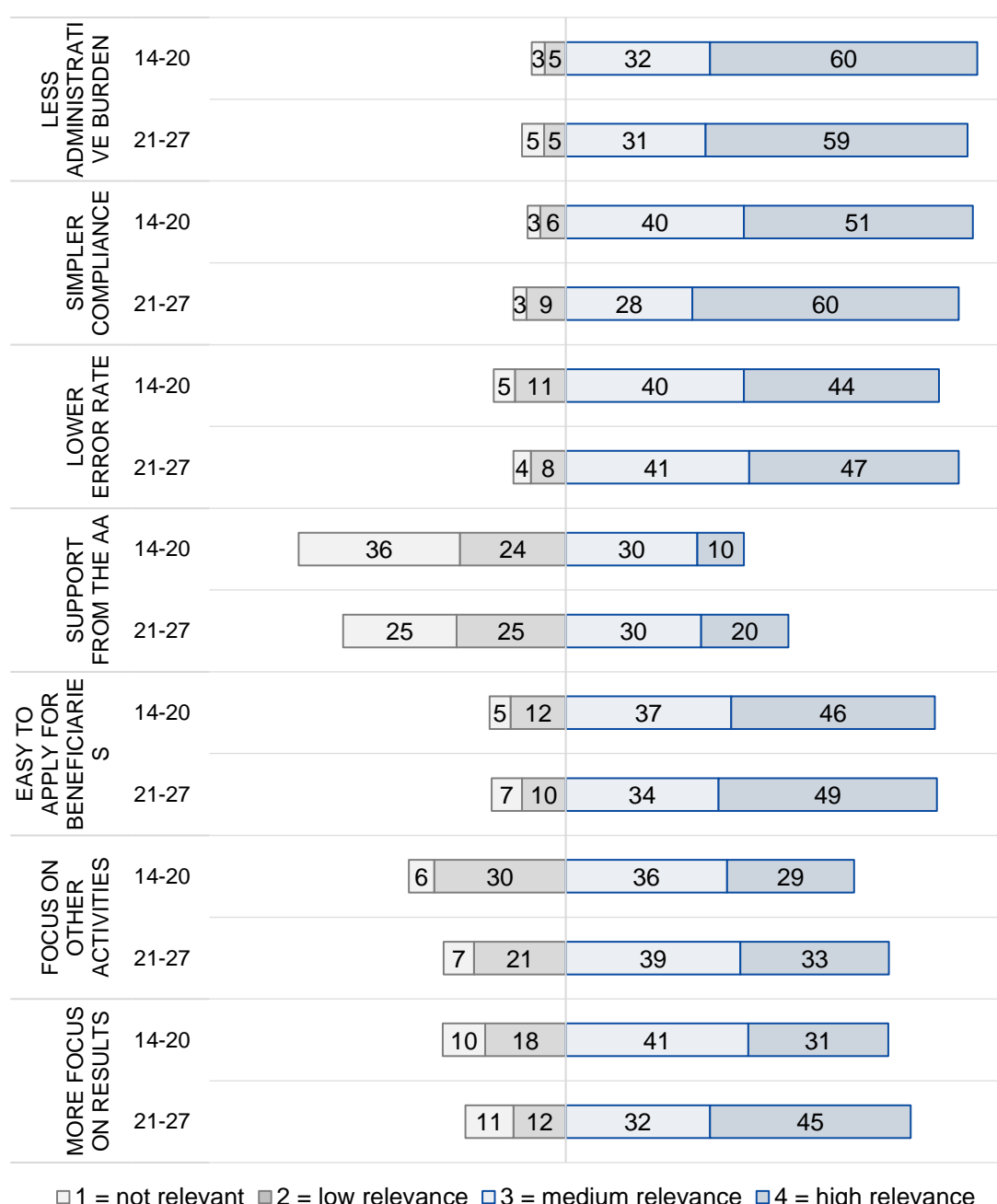
Around a third of the SCO schemes covered direct costs (38%), as well as all costs of the operations (30%). It is noteworthy that the percentage of schemes covering all operational costs has increased compared to the previous programming period (30% vs. 27%).

## 4.4. ESF/ESF+ stakeholder perceptions of SCO

### 4.4.1. Advantages and challenges

This section presents qualitative responses regarding the advantages of SCO schemes as well as issues encountered when developing them. This section on ESF/ESF+ does not include an assessment of why programme authorities decided not to use any SCOs because all responses that passed the quality check used SCOs.

**Figure 11 - Advantages of SCO schemes for ESF/ESF+ programme authorities (values in %)**

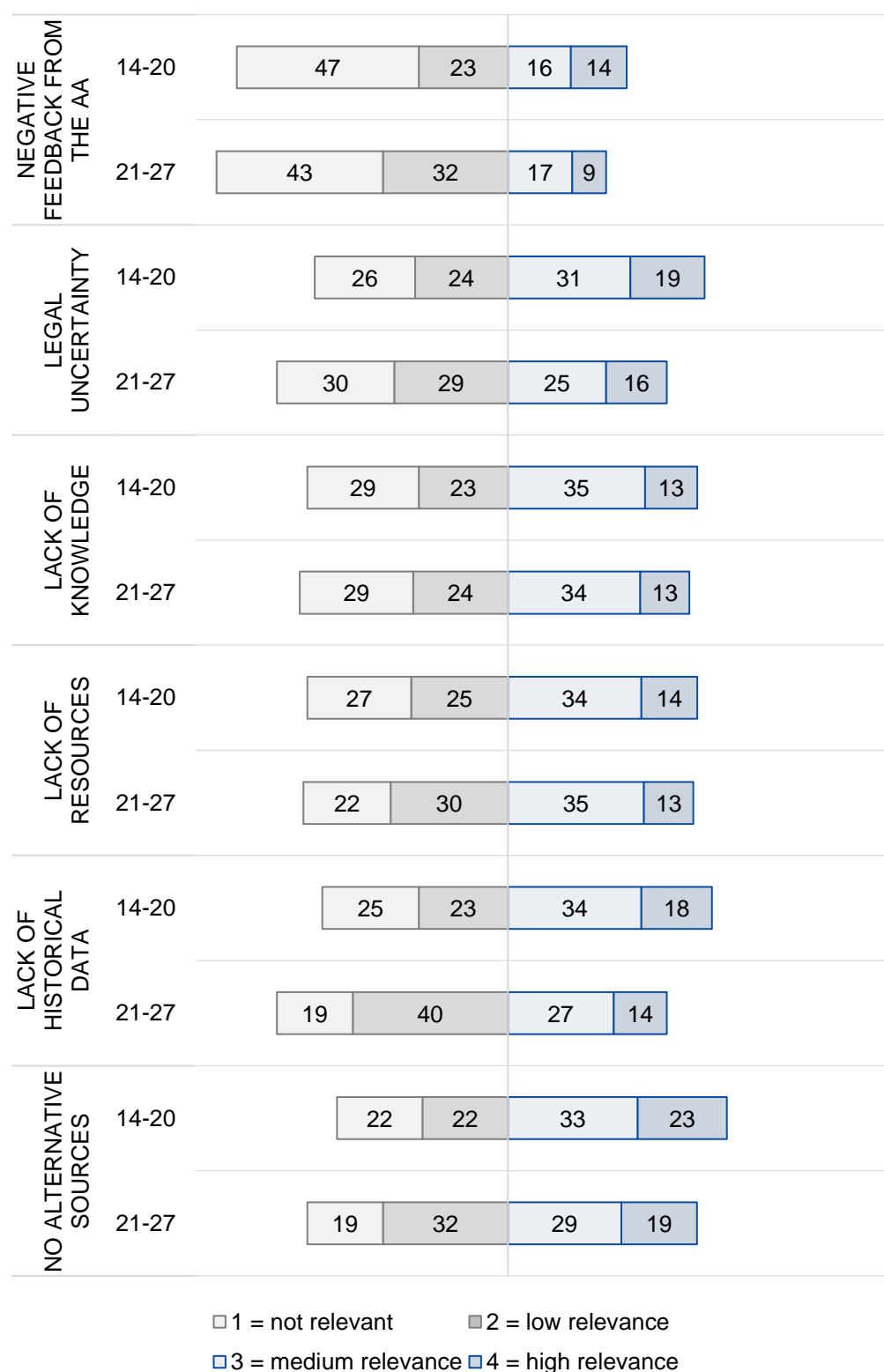


There is an increased perception that SCOs benefit programme authorities. In both programming periods, the greatest advantages for programme authorities were reduced administrative burden and simplified compliance. Between 2014-2020 and 2021-2027, ESF/ESF+ programme authorities increasingly viewed SCOs as effective in improving the focus on results, support from audit authorities and the application process for beneficiaries. The increased perception of such advantages confirms the advantages of SCOs go beyond less administrative burden.

Other advantages that increased between the two programming periods are fewer error rates and corrective actions, more focus on other activities, simpler compliance, as well as less administrative burden.

The survey also mapped issues for programme authorities when developing SCO schemes, as seen in the figure below.

**Figure 12 - Challenges faced in developing SCO schemes for ESF/ESF+ programme authorities (values in %)**



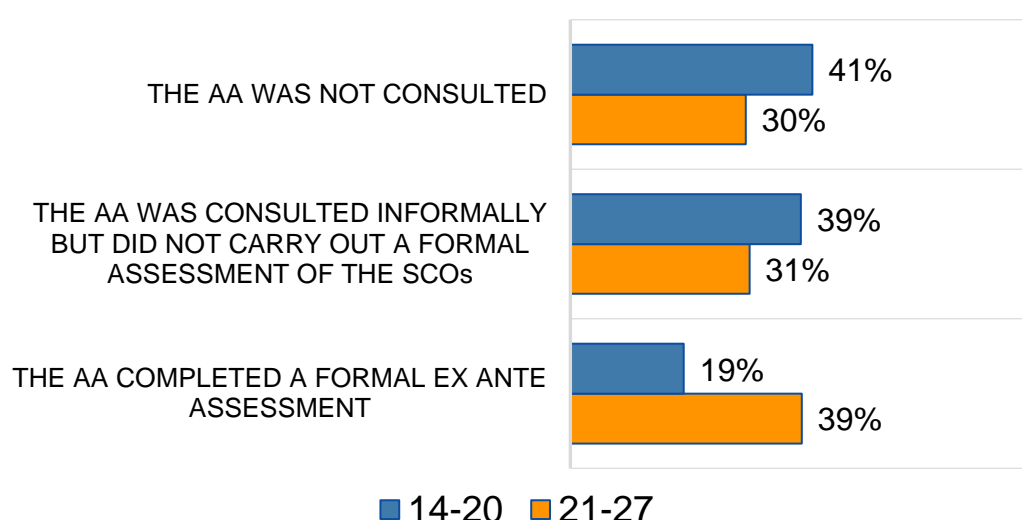
In both programming periods, the most relevant issue has been the lack of alternative sources. However, the relevance of each issue decreased across the two programming periods, proving that experience in 2014-2020 has helped in the current programming

period. Support from the audit authority is not considered an issue for most respondents (70% in 2014-2020 and 75% in 2021-2027).

#### 4.4.2. Involvement of the audit authority in defining SCOs

The figure below provides a comparative analysis of the level of involvement of the AA in the development of simplification schemes. It is noteworthy that the figures reflecting the involvement of AA in the development of SCO schemes during the 2021-2027 programming period pertain exclusively to schemes used at the lower level. For schemes at the upper level, it should be emphasized that all schemes approved under Article 94 require a formal assessment by the AA.

**Figure 13 – Involvement of the audit authority in defining SCOs under ESF/ESF+**



For the great majority of SCO schemes, in 2014-2020, the audit authority was either not consulted or consulted only informally (80%). It completed a formal ex-ante assessment for only 19% of the schemes. 2021-2027 shows a clear change, since the audit authority completed a formal ex-ante assessment on approximately 40% of the SCO schemes developed under ESF+ (54%).

## 4.5. Use of FNLC in ESF+

The first three rows in the table below display data on lower level FNLC use.<sup>9</sup> The first row shows the budget covered by FNLC, including schemes already in use and those programmed. The next two rows detail the amount covered by FNLC schemes in use and the portion of the budget already reimbursed to beneficiaries using FNLC.

The final three rows provide data on FNLC at the upper level. The first row displays the amount expected to be covered, including FNLC schemes in use and programmed. The next row details only FNLC in use. The last row details the amount already claimed by programme authorities from the Commission.

All this information is presented as percentages of programme budgets and total amounts. The percentage is the ratio between the amount covered by FNLC and the budgets of programmes that participated in the survey and passed the quality check. The amounts in the last column are estimates of the potential budget covered at EU level including both EU and national co-financing. This applies the percentage from the first column to the entire fund budget at EU level, extracted from the Cohesion Open Data Platform, except for the FNLCs in use (second row for both lower and upper levels), where actual (not estimated) values are displayed.

**Table 32 – Overview of FNLC use in ESF+ in 2021-2027**

|             |   | (1) % of programme budget covered | (2) Estimated programme budget covered at EU level (EUR bn) |
|-------------|---|-----------------------------------|---|
| Lower level | Total FNLC planned (in use + programmed)        | 6.0%                              | 8.521   |
|             | - of which: FNLC in use                         | 2.3%                              | 3.325   |
|             | - of which: already reimbursed to beneficiaries | 0.70%                             | 999   |
| Upper level | Total FNLC planned (in use + programmed)        | 6.0%                              | 8.521   |
|             | - of which: FNLC in use                         | 2.34%                             | 3.325   |
|             | - of which: already claimed                     | 0%                                | 0   |

Both lower and upper level FNLC under ESF+ account for approximately 6% of the total ESF+ budget for the analysed programmes. This would be EUR 8.5 billion if applied to the full ESF+ budget. Based on the responses and complemented by data from the SFC, a significant portion of this amount refers to FNLC schemes already in use (2.3%, or EUR 3.3 billion). For the amount already reimbursed to beneficiaries and amounts claimed from the EC, implementation is still in progress, with only 0.70% of the programme budget already reimbursed to beneficiaries (some EUR 1 billion at EU level) and no reported amounts claimed from the EC.

The table below presents FNLC use at Member State level. The second column shows the percentage of ESF+ budget covered at the lower level and the third column the upper

<sup>9</sup> Article 53 (1) (f) of the CPR states that financing not linked to costs are possible at the lower level provided such grants are covered by a reimbursement of the Union contribution pursuant to Article 95.

level share. Figures are calculated per Member State from the amount covered by FNLC and the budgets of programmes that participated in the survey and passed the quality check.

**Table 33 – FNLC use in ESF+ in 2021-2027 per Member State**

| Member State     | Lower level        | Upper level       |
|------------------|--------------------|-------------------|
|                  | Total FNLC mapped  | Total FNLC mapped |
| AT               | 0%                 | 0%                |
| BE               | 0%                 | 0%                |
| BG               | 0%                 | 0%                |
| CY               | 6.9%               | 6.9%              |
| CZ <sup>10</sup> | 0%                 | 0%                |
| DE <sup>11</sup> | 0%                 | 0%                |
| DK               | 0%                 | 0%                |
| EE               | 5.3% <sup>12</sup> | 5.3%              |
| EL               | 0.6% <sup>13</sup> | 0.6%              |
| ES               | 0%                 | 0%                |
| FI               | 0%                 | 0%                |
| FR               | 1.5%               | 1.5%              |
| HR               | 27.8%              | 27.8%             |
| HU               | 36.8%              | 36.8%             |
| IE               | 0%                 | 0%                |
| IT               | 0%                 | 0%                |
| LT               | 2.0%               | 2.0%              |
| LU               | No reply           | No reply          |
| LV               | 0.2%               | 0.2%              |
| MT               | 0%                 | 0%                |
| NL <sup>14</sup> | 0%                 | 0%                |
| PL               | 6.5%               | 6.5%              |
| PT               | 0.6%               | 0.6%              |
| RO               | 10.9%              | 10.9%             |
| SE               | 0%                 | 0%                |
| SI               | No reply           | No reply          |
| SK               | 0%                 | 0%                |

By the end of the current programming period, at least fourteen Member States are expected to use FNLC. Among them, eight Member States already have approved schemes, namely, Cyprus, Estonia, France, Hungary, Latvia, Poland, Portugal, and Romania.

<sup>10</sup> Czechia is preparing an FNLC proposal. No financial information is available at the moment.

<sup>11</sup> Germany is preparing an FNLC proposal. No financial information is available at the moment.

<sup>12</sup> Estimated based on upper level amounts.

<sup>13</sup> Estimated based on upper level amounts.

<sup>14</sup> The Netherlands is preparing an FNLC proposal. No financial information is available at the moment.

Three Member States are expected to cover more than 10% of their ESF+ budget using FNLC: Croatia, Hungary and Romania.

#### 4.5.1. Types of FNLC used in 2021-2027

The table below shows the use of Article 95(4) of the CPR (Delegated acts adopted by the Commission), Appendix 2 of the Article 95 of the CPR and Appendix 2 of the Article 37 of the CPR across Member States. For each Member State, the table displays the ratio between the amount covered by FNLC identified through the study and the budgets of programmes that participated in the survey and passed the quality check.

**Table 34 – ESF+ type of FNLC in 2021-2027**

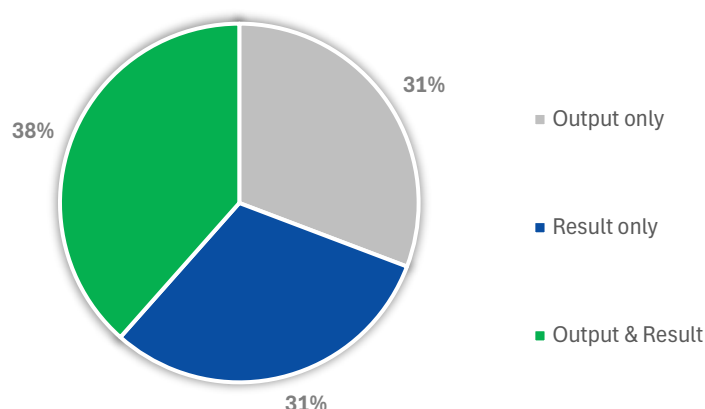
|    | Lower level                                 |                                    |                                    | Upper level                                 |                                    |                                    |
|----|---|------------------------------------|------------------------------------|---|------------------------------------|------------------------------------|
|    | Budget covered (%)                          |                                    |                                    |   |                                    |                                    |
| MS | Article 95(4)<br>CPR<br>(Delegated<br>acts) | Appendix 2<br>of Article 95<br>CPR | Appendix 2<br>of Article 37<br>CPR | Article 95(4)<br>CPR<br>(Delegated<br>acts) | Appendix 2<br>of Article 95<br>CPR | Appendix 2<br>of Article 37<br>CPR |
| AT | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| BE | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| BG | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| CY | 0%  | 6.92%                              | 0%                                 | 0%  | 6.92%                              | 0%                                 |
| CZ | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| DE | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| DK | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| EE | 0%  | No financial<br>data               | 0%                                 | 0%  | 5.30%                              | 0%                                 |
| EL | 0%  | 0%                                 | 0%                                 | 0%  | 0.64%                              | 0%                                 |
| ES | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| FI | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| FR | 0%  | 1.48%                              | 0%                                 | 0%  | 1.48%                              | 0%                                 |
| HR | 0%  | 27.8%                              | 0%                                 | 0%  | 27.8%                              | 0%                                 |
| HU | 0%  | 36.75%                             | 0%                                 | 0%  | 36.75%                             | 0%                                 |
| IE | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| IT | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| LT | 0%  | 2.0%                               | 0%                                 | 0%  | 2.0%                               | 0%                                 |
| LU | No reply                                    | No reply                           | No reply                           | No reply                                    | No reply                           | No reply                           |
| LV | 0%  | 0%                                 | 0.24%                              | 0%  | 0%                                 | 0.24%                              |
| MT | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| NL | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| PL | 0%  | 6.46%                              | 0%                                 | 0%  | 6.46%                              | 0%                                 |
| PT | 0%  | 0.56%                              | 0%                                 | 0%  | 0.56%                              | 0%                                 |
| RO | 0%  | 10.87%                             | 0%                                 | 0%  | 10.87%                             | 0%                                 |
| SE | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| SI | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |
| SK | 0%  | 0%                                 | 0%                                 | 0%  | 0%                                 | 0%                                 |

For most Member States, the majority of the coverage is based on schemes adopted through Appendix 2 of the Article 95 of the CPR, which are also used at the lower level.

Of the 15 programmes reporting FNLC schemes for ESF+, only one programme reported adopting a FNLC through Appendix 2 of Article 37 of the CPR. No schemes were implemented through Delegated Acts.

The figure below shows the types of FNLC indicators triggering payments under ESF+. Information from the survey and SFC show that five of the schemes with information on the indicators use a mix of output and result-based indicators to trigger payment, four use only result-based indicators and four only output-based indicators. Four schemes did not have any information on indicators available.<sup>15</sup>

**Figure 14 – Types of FNLC indicators triggering payment in ESF+**



Examples of indicators used in programmes reporting FNLC are listed in the two boxes below.

**Box 2 – Examples of output-based indicators used in FNLC schemes**

- Number of settlements participating in the program
- Number of children/adolescents included in the program
- Number of persons provided with health services
- Number of childcare places operating for 12 months for children up to 3 years
- Number of childcare places maintained for the next 24 months
- Number of participants entering and exiting employment/self-employment policy measure
- Number of teachers per year
- Number of educational/youth professionals in professional development activities

<sup>15</sup> Out of the 17 schemes reported, 3 are from the same CCI in Hungary. These schemes were counted separately as OPs reported the use of different indicators and amounts.

- Persons included in training programs
- Proportion of regular child protection discount recipients
- Subsidised employment days for unemployed persons

### **Box 3 – Examples of result-based indicators used in FNLC schemes**

- Changes in the parental competence of parents of children aged 0-3
- Live births under 2500 grammes as a % of all live births
- Number of participants in employment, including self-employment, six months after leaving
- Number of undocumented absences of more than 50 hours in primary schools with full-time education
- Participants gaining a qualification upon leaving
- Persons entering public employment services
- Proportion of those admitted to secondary schools that offer graduation
- Proportion of those who remain in the field 3 years after starting the program
- Public expenditure savings per recipient who overcomes the vulnerability condition
- The number of vulnerable minors per thousand residents of the same age
- The ratio of the average salary of teachers working in public education to the average salary of people with higher education

The survey also highlights that most of the programmes reporting the use of FNLCs (over 75%) did not set any adjustment/update methodology. The remainder set adjustments based on indicators for annual payroll, inflation, statistical data on public investment, or average monthly/daily costs.

## 4.5.2. Specific Objectives covered by FNLC in 2021-2027

The table below shows the Specific Objectives covered by operations under FNLC in ESF+. Figures are shown as percentages of FNLCs associated with a Specific Objective divided by the total number of FNLC schemes. Each FNLC can cover multiple Specific Objectives.

**Table 35 – Coverage of ESF+ Specific Objectives per FNLC**

| Specific Objectives   | % of FNLC schemes covering the Specific Objective |
|---|---|
| 4.1 - Access to employment and activation measures for all    | 35%   |
| 4.2 - Modernising labour market institutions                  | 6%  |
| 4.3 - Gender balanced labour market participation             | 6%  |
| 4.4 - Adaptation of workers and enterprises to change         | 6%  |
| 4.5 - Improving education and training systems                | 12%   |
| 4.6 - Quality and inclusive education and training systems    | 0%  |
| 4.7 - Lifelong learning and career transitions                | 12%   |
| 4.8 - Active inclusion and employability                      | 24%   |
| 4.9 - Integration of third country nationals                  | 0%  |
| 4.10 - Integration of marginalised communities such as Roma   | 0%  |
| 4.11 - Equal access to quality social and healthcare services | 0%  |
| 4.12 - Social integration of people at risk                   | 12%   |
| 4.13 - Addressing material deprivation                        | 0%  |
| FNLC Schemes with no Specific Objective noted by respondents  | 29%   |

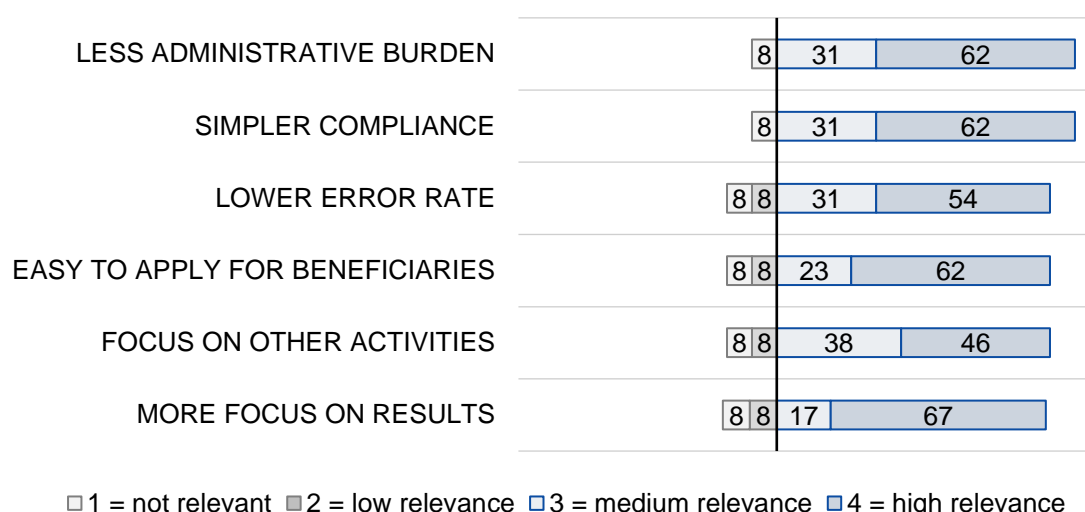
For ESF+ programmes with FNLC schemes which passed the quality check, the most common Specific Objective was 'Access to employment and activation measures for all' (SO 4.1), in more than a third of schemes. The second most common was 'Active inclusion and employability' (SO 4.8), in 24% of them. This was followed by 'Improving education and training systems' (SO 4.5), 'Social integration of people at risk' (SO 4.12) and 'Lifelong learning and career transitions' (SO 4.7), covered by 12% of the schemes. 6% cover operations on 'Modernising labour market institutions' (SO 4.2); 'Gender balanced labour market participation' (SO 4.3); and 'Adaptation of workers and enterprises to change' (SO 4.4). For 29% of FNLCs, authorities did not note any Specific Objective when replying to the survey.

## 4.5.3. Advantages, challenges and reasons for not using FNLC

The figure below presents a qualitative analysis of FNLC advantages, as reported by managing authorities. Respondents identified key benefits, with the most frequently mentioned being the reduced administrative burden and that FNLCs are simpler and easier to check compliance (medium/high relevance for over 90% of respondents).

Authorities also highlighted that FNLC schemes are easier to apply for beneficiaries, simplifying applications and implementation. Additionally, these schemes have less errors, financial corrections or other remedial actions. It also enables authorities to reallocate resources to other activities, such as performance monitoring and focus more on achieving outputs and results.

**Figure 15 Key advantages of FNLC (ESF+) (values in %)**



The primary reason for authorities to not use FNLC (Figure 16) was the lack of information/experience on how to design and implement such schemes, with over 75% of respondents rating this as medium/high importance. Managing authorities also cited the administrative burden of designing FNLC schemes and the high level of legal uncertainty associated with them, both of which were medium/high importance for about 70% of respondents.

Additional reasons include the perception that FNLC schemes are too risky, concerns about the potential systemic impact of miscalculating the financial amounts and the view that the benefits of FNLC are not immediately evident. All these reasons were considered of medium/high importance by a significant number of respondents.

**Figure 16 Key reasons for not using FNLC (ESF+) (values in %)**

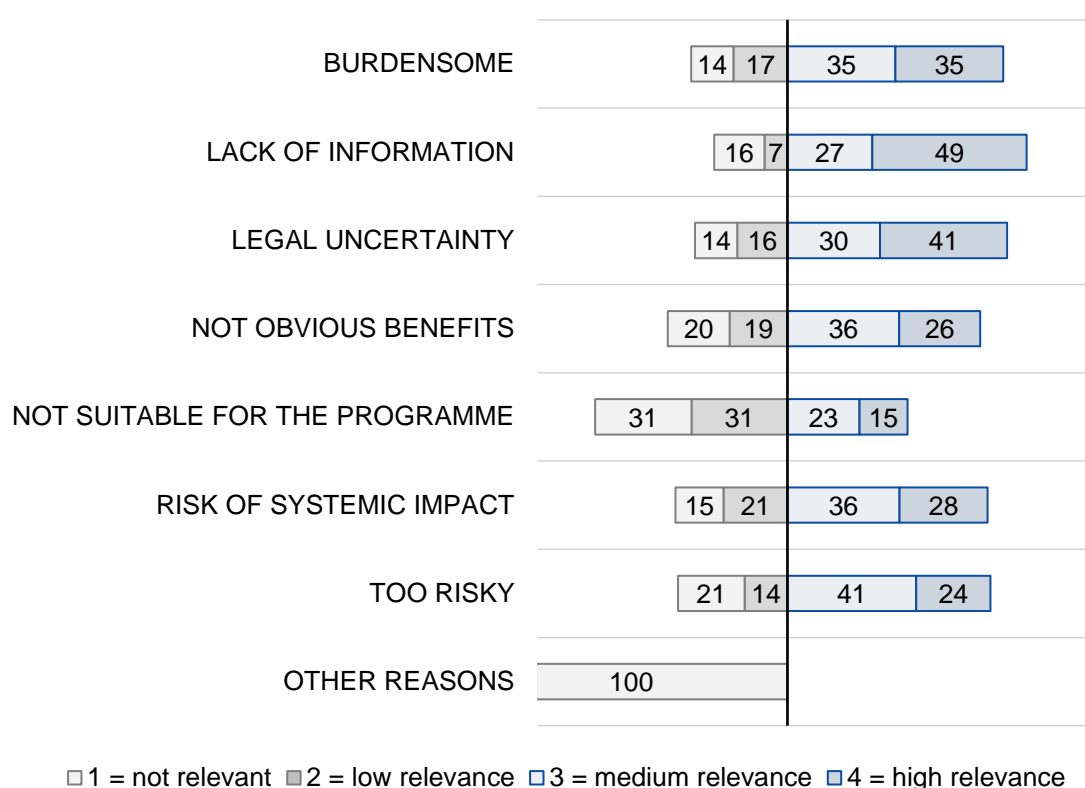
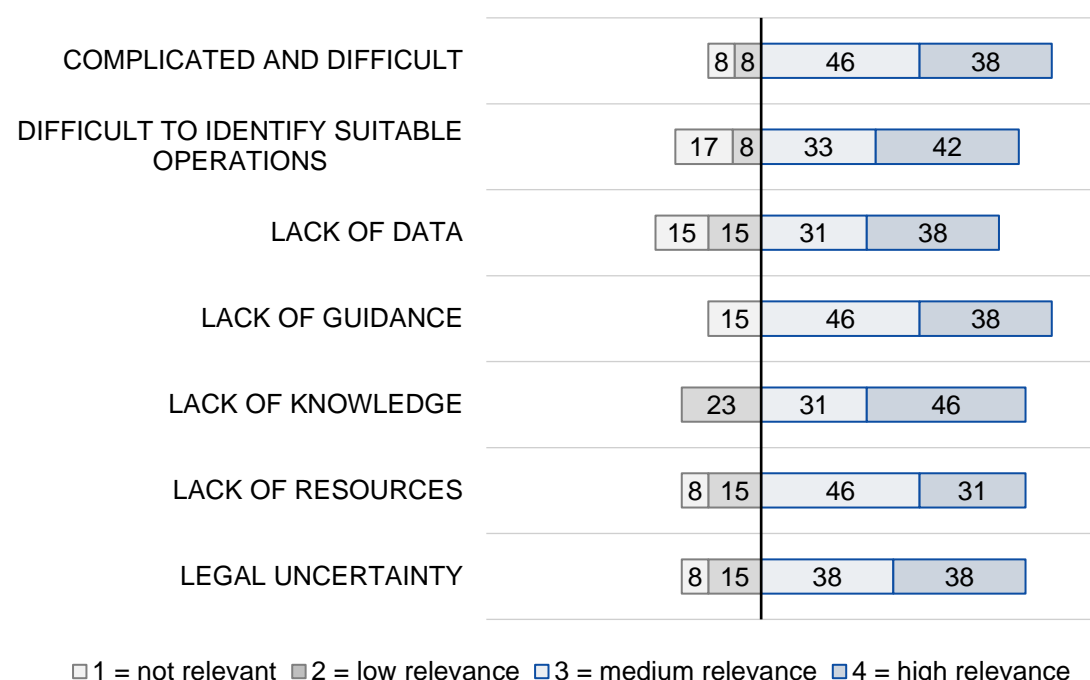


Figure 17 highlights issues reported by managing authorities when developing FNLC schemes with medium/high importance. Over 80% of respondents indicated that FNLC schemes are complicated and challenging to put in practice, alongside a lack of guidance and practical examples on how to design FNLC methodologies, including defining indicators and setting up results or conditions.

Following closely, with over 70% of respondents rating them with medium or high importance, are difficulties in identifying suitable types of operations, a lack of knowledge and expertise within the programme authority, insufficient resources to develop the scheme and legal uncertainty surrounding FNLC schemes.

**Figure 17 Key challenges faced in developing FLNCs (ESF+) (values in %)**



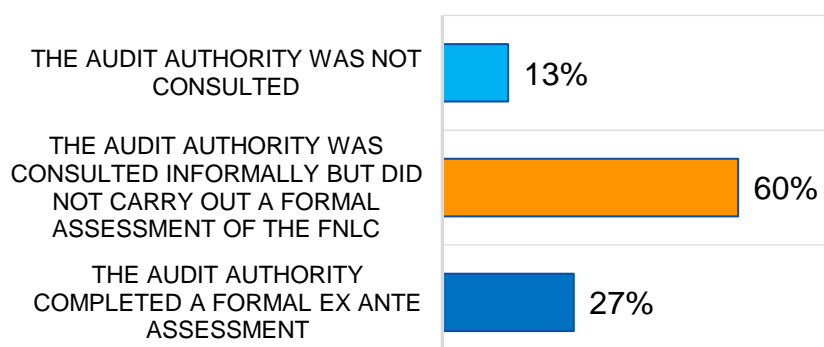
#### 4.5.4. Involvement of the audit authority in defining the FNLC

In 60% of schemes, managing authorities reported that the audit authority was consulted informally but did not conduct a formal assessment of the FNLC. A further 27% indicated the audit authority carried out a formal ex ante assessment, while 13% stated that the audit authority was not consulted.<sup>16</sup>

For schemes where the audit authority was not involved, the reasons included the absence of a formal requirement, ongoing adjustments to the scheme in response to feedback from the Commission and the early developmental stage of the scheme.

<sup>16</sup> Please note that Article 95 of the CPR does not request a formal assessment.

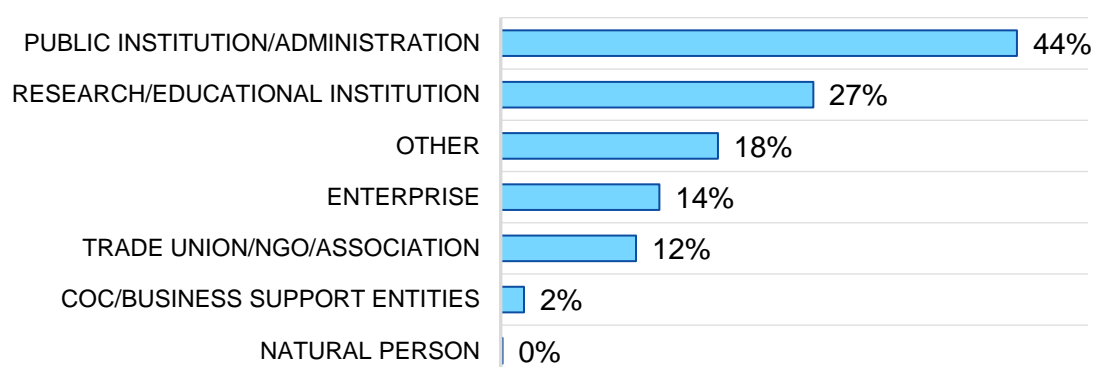
**Figure 18 Involvement of audit authority in ESF+**



## 4.6. Perception of beneficiaries

The survey of beneficiaries was conducted through July and August 2024 and resulted in 699 complete answers. Of those, 62% declared benefiting from ESF+ and 65% from ESF (some beneficiaries benefited in both programming periods, hence the percentages total more than 100%). The figure below shows the types of beneficiaries responding to the survey.

**Figure 19 – Types of ESF/ESF+ beneficiaries responding to the survey**



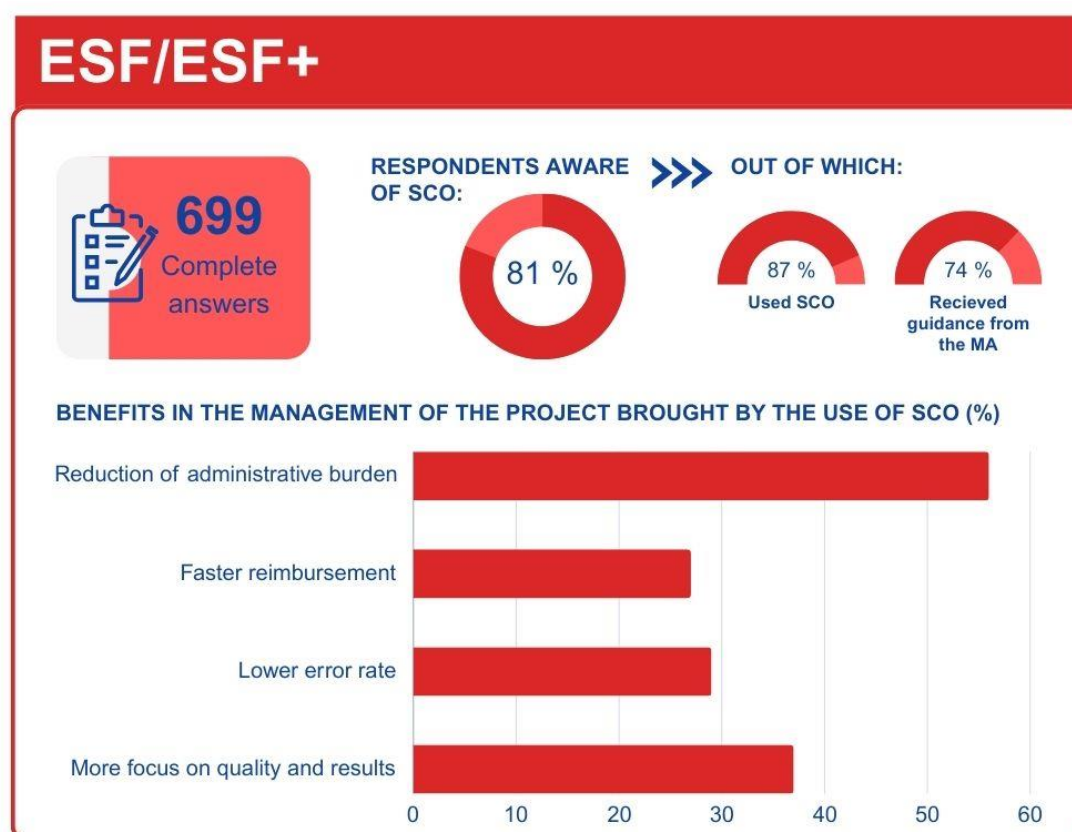
44% of the respondents were public institutions/administrations, while 27% were research/education institutions. 'Other' respondents include foundations.

The factsheet below presents data from the survey across both programming periods. It shows that most respondents (81%) were aware of SCOs (there were no responses about FNLC). Of those, the great majority used SCOs (87%), also many received training, workshops, or guidelines from the managing authority on SCOs (74%).

Almost all the ESF/ESF+ beneficiaries who completed the survey and were aware of SCOs (89%) declared that SCOs brought benefits for project management. For them, reduced administrative burden is the main benefit (56%), similar to programme authority

inputs in previous sections. In addition, more than a third (37%) agreed that SCOs enabled a greater focus on the quality and results of their project. This is similar for both programming periods.

**Figure 20 – Survey data concerning ESF/ESF+ beneficiaries**



The responses to open-ended questions on lessons learnt and recommendations to encourage the wider adoption of SCOs reveal a strong appreciation for SCOs among survey participants. Most respondents who provided input noted that SCOs significantly simplify administrative processes as well as allowing a greater focus on project results.

Regarding specific recommendations from ESF/ESF+ beneficiaries, some respondents called for an even broader adoption of SCOs, with comments such as *'simplified costs should be the norm'* and suggestions that entire projects, rather than just portions, should be covered by SCOs (*'no more real costs'*). Other recommendations addressed more technical aspects, such as ensuring regular adjustments to cost units to prevent misalignment due to inflation. Additionally, some respondents highlighted the importance of involving beneficiaries more actively in the development of SCO schemes, as facilitated by programme authorities.

The final section of the survey invited beneficiaries to share their views on barriers and obstacles limiting access to CPR Funds. The responses identified two key challenges: the length and complexity of the project selection process and excessive bureaucracy, with project requirements often being poorly adapted to small NGOs.

## 5. DG HOME Funds - AMIF/BMVI/ISF

This section does not include any sub-section on the use of FNLC because no data on FNLC schemes were provided by programme authorities.

### 5.1. Use of SCOs in AMIF

The table below covers SCO use under AMIF during the 2021-2027 programming period. The first four rows show SCO use at the lower level. The first row presents the coverage of SCOs 'in use' and 'programmed'. The subsequent three rows detail the total budget already covered by SCOs, the amount covered by SCOs for operations below EUR 200 000 and the portion already reimbursed to beneficiaries using SCOs.

The final two rows show Member State designed SCO use at the upper level. However, as of the end of May 2024, no such schemes were programmed under AMIF.

The percentage is based on the share of programme budgets covered by SCOs identified in the survey (for more detail, refer to the first and second steps of the process outlined in Chapter 1.4). The amounts in the last column are estimates of the potential budget covered at EU level including EU and national co-financing. This is determined by applying the percentage from the first column to the entire AMIF budget (including national co-financing) at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4). It is important to note that the budget considered for this calculation refers to the entire AMIF budget (including national co-financing) as at the end of May 2024, according to data provided by [cohesiondata.ec.europa.eu](https://cohesiondata.ec.europa.eu).

**Table 36 – Overview of SCO in AMIF**

|                           |   | (1) % of programme budget covered | (2) Estimated programme budget covered at EU level (EUR bn) |
|---------------------------|---|-----------------------------------|---|
| Lower level               | SCOs mapped (in use + programmed)                   | 19.5%                             | 1.460   |
|                           | - of which: SCOs in use                             | 16.3%                             | 1.221   |
|                           | - of which: SCOs mapped <200k (in use + programmed) | 0.3%                              | 0.019   |
|                           | - of which: already reimbursed to beneficiaries     | 1.4%                              | 0.103   |
| Upper level Article 94(2) | SCOs mapped (in use + programmed)                   | 0.0%                              | 0   |
|                           | SCOs in use   | 0.0%                              | 0   |

SCO use accounts for almost 20% of the AMIF budget. Based on data from respondents, a significant portion of the expected impact at the end of the programming period is linked to existing schemes (over EUR 1.2 billion). Expenditure already reimbursed covered by SCOs (1.4%, or EUR 0.1 billion) may concern some delay in implementation of the 2021-2027 funds and suggests that reduced costs and administrative burden will only be felt as financial absorption progresses. The coverage of small operations is very low: approximately EUR 19 million of the EUR 1.5 billion covered by SCOs are attributed to operations costing less than EUR 200 000.

At the time of the survey (spring 2024), the programmes have not planned to use reimbursement of the EU contribution according to Article 94(2) of the CPR, for any HOME Funds (AMIF, BMVI, ISF).

The table below shows SCO use at Member State level. The first column shows the percentage of AMIF budget covered at the lower level, while the second column details the portion of lower level SCOs covered by small operations below 200 000 EUR for which the use of SCO is mandatory.

The third column would display the percentage of the budget covered by upper level schemes but no such SCOs are programmed under AMIF at the time of the survey (spring 2024). Member States that did not complete the questionnaire are marked in the table as 'No reply,' while those that provided only partial responses (e.g., no quantitative data) or submitted inconsistent responses (i.e., did not pass the quality check, see section 1.3) are marked as 'Partial.'

**Table 37 – AMIF SCO mapped in 2021-2027 by Member State**

| Member State | Lower level |                     | Upper level |
|--------------|-------------|---------------------|-------------|
|              | SCOs mapped | Of which SCOs <200k | SCOs mapped |
| AT           | 35.8%       | 1.5%                | 0.0%        |
| BE           | No reply    | No reply            | No reply    |
| BG           | 1.6%        | 0.0%                | 0.0%        |
| CY           | 5.4%        | 0.0%                | 0.0%        |
| CZ           | 60.1%       | 2.3%                | 0.0%        |
| DE           | partial     | partial             | partial     |
| DK           | -           | -                   | -           |
| EE           | 3.7%        | 0.0%                | 0.0%        |
| EL           | 15.0%       | 0.0%                | 0.0%        |
| ES           | No reply    | No reply            | No reply    |
| FI           | partial     | partial             | partial     |
| FR           | 18.1%       | 0.0%                | 0.0%        |
| HR           | No reply    | No reply            | No reply    |
| HU           | 44.9%       | 0.0%                | 0.0%        |
| IE           | partial     | partial             | partial     |
| IT           | 8.0%        | 0.0%                | 0.0%        |
| LT           | 12.9%       | 0.2%                | 0.0%        |
| LU           | 4.3%        | 2.1%                | 0.0%        |
| LV           | No reply    | No reply            | No reply    |
| MT           | 84.5%       | 0.0%                | 0.0%        |
| NL           | 44.0%       | 0.0%                | 0.0%        |
| PL           | 4.3%        | 0.0%                | 0.0%        |
| PT           | 12.9%       | 2.4%                | 0.0%        |
| RO           | 8.5%        | 8.5%                | 0.0%        |
| SE           | 31.5%       | 0.0%                | 0.0%        |
| SI           | partial     | partial             | partial     |
| SK           | 0.0%        | 0.0%                | 0.0%        |

As presented in the table above, by the end of the 2021–2027 period, six Member States expect the proportion of the AMIF budget covered by lower-level SCOs will be higher than the EU average shown in the previous table (i.e., 19.5%). These Member States are Austria (36%), Czechia (60%), Hungary (45%), Malta (84%), the Netherlands (44%), and Sweden (31%). On the other hand, eight Member States plan SCOs covering less than 10% of their budget: Bulgaria, Cyprus, Estonia, Italy, Luxembourg, Poland, Romania and Slovakia.

### 5.1.1. Types of SCO used in 2021-2027

The table below illustrates the use of flat rate, unit cost and lump sum SCOs across Member States as the share of total programme budget covered by each type of SCO.

**Table 38 – AMIF Type of SCO at the lower level in 2021-2027<sup>17</sup>**

| Member State | Lower level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | 21.0%              | 13.3%     | 1.5%     |
| BE           | No reply           | No reply  | No reply |
| BG           | 0.0%               | 1.6%      | 0.0%     |
| CY           | 5.4%               | 0.0%      | 0.0%     |
| CZ           | 30.9%              | 29.2%     | 0.0%     |
| DE           | Partial            | Partial   | Partial  |
| DK           | -                  | -         | -        |
| EE           | 3.7%               | 0.0%      | 0.0%     |
| EL           | 0.0%               | 15.0%     | 0.0%     |
| ES           | No reply           | No reply  | No reply |
| FI           | Partial            | Partial   | Partial  |
| FR           | 7.3%               | 10.8%     | 0.0%     |
| HR           | No reply           | No reply  | No reply |
| HU           | 14.2%              | 30.8%     | 0.0%     |
| IE           | Partial            | Partial   | Partial  |
| IT           | 6.6%               | 1.4%      | 0.0%     |
| LT           | 12.8%              | 0.1%      | 0.0%     |
| LU           | 4.3%               | 0.0%      | 0.0%     |
| LV           | No reply           | No reply  | No reply |
| MT           | 18.6%              | 65.9%     | 0.0%     |
| NL           | 21.6%              | 22.4%     | 0.0%     |
| PL           | 4.3%               | 0.0%      | 0.0%     |
| PT           | 12.9%              | 0.0%      | 0.0%     |
| RO           | 0.0%               | 8.5%      | 0.0%     |
| SE           | 13.7%              | 17.2%     | 0.5%     |

<sup>17</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

| Member State  | Lower level        |              |             |
|---------------|--------------------|--------------|-------------|
|               | Budget covered (%) |              |             |
|               | Flat Rate          | Unit Cost    | Lump Sum    |
| SI            | Partial            | Partial      | Partial     |
| SK            | 0.0%               | 0.0%         | 0.0%        |
| <b>TOTAL*</b> | <b>8.8%</b>        | <b>10.6%</b> | <b>0.1%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

Among the Member States using SCOs there are two main approaches. In half the cases they use flat rates, the other half use unit costs more. However, at EU level, the impact of unit costs are more significant, covering approximately 11% of the AMIF budget.

### 5.1.2. Specific Objectives covered by SCO in 2021-2027

The table below shows the distribution of SCOs across Specific Objectives identified through the AMIF survey. The total is more than 100% because each SCO can cover multiple Specific Objectives.

**Table 39 Coverage of AMIF Specific Objectives by SCOs**

| Specific Objective                     | % of SCOs |
|--|-----------|
| SO 1: Common European Asylum System    | 34%       |
| SO 2 : Legal migration and integration | 49%       |
| SO 3: Return                           | 36%       |
| SO 4: Solidarity                       | 3%        |

Approximately half the SCO schemes (49%) cover operations strengthening and developing legal migration to the Member State, promoting and contributing to the integration of third-country nationals (SO2), 36% are for countering irregular migration, return and reintegration in third countries (SO3), 34% for operations strengthening and developing the Common European Asylum System (SO1) and 3% for operations for increasing solidarity and responsibility-sharing between the Member States, with particular focus on those most affected by migration and asylum flows (SO4).

### 5.1.3. Beneficiaries covered by SCOs in 2021-2027

The table below illustrates the distribution of SCO among types of beneficiary identified through the AMIF survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 40 Beneficiaries reimbursed through AMIF SCOs**

| Type of beneficiary               | % of SCOs |
|-----------------------------------|-----------|
| NGOs/Associations                 | 72%       |
| National authorities              | 64%       |
| Municipalities/ Local authorities | 57%       |

| Type of beneficiary        | % of SCOs |
|----------------------------|-----------|
| Humanitarian organisations | 56%       |
| Regional authorities       | 44%       |

For AMIF interventions, NGOs and associations are being reimbursed by 72% of SCOs. The other types of beneficiaries are targeted by over 50% of SCOs, except for regional authorities (44%).

#### 5.1.4. Type of costs covered by SCOs in 2021-2027

The table below shows the distribution of SCOs among different types of costs identified through the AMIF survey. The total is more than 100% because each SCO can cover multiple costs.

**Table 41 Types of costs covered by the SCO in AMIF**

| Type of costs                       | % of SCOs |
|-------------------------------------|-----------|
| Direct costs                        | 44%       |
| Indirect costs                      | 29%       |
| All eligible costs other than staff | 15%       |
| All costs of the operation          | 13%       |

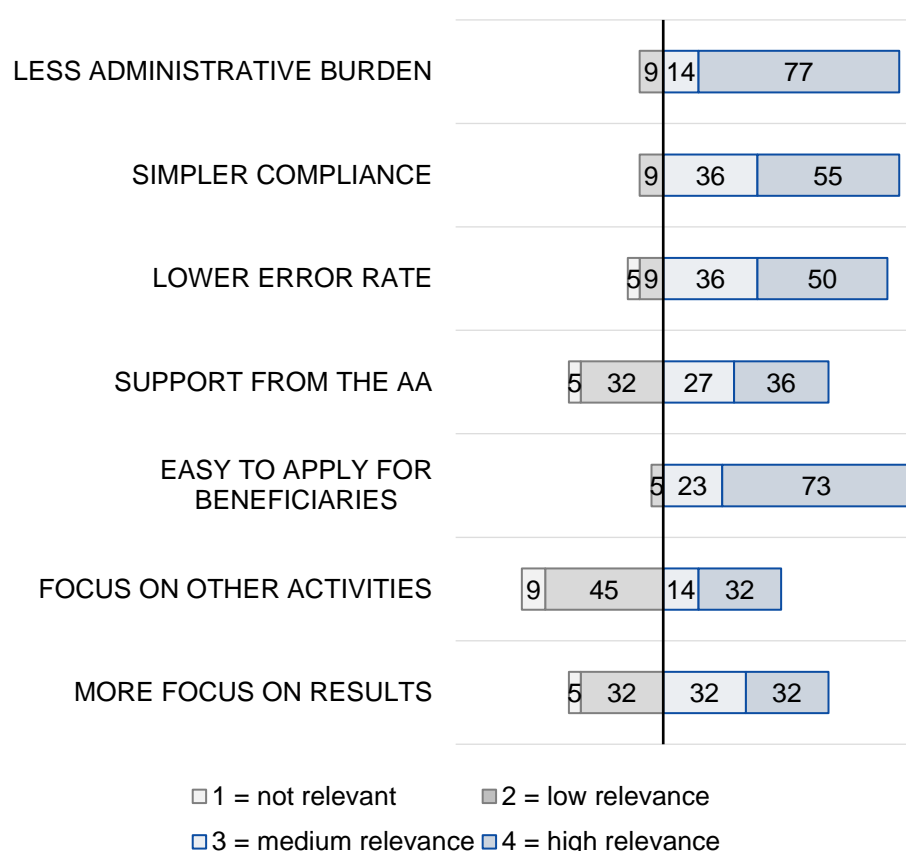
Most SCOs cover direct costs (44%), along with indirect costs (29%). To a lesser extent, SCOs use the off-the-shelf flat rate provided under Article 56(1) of the CPR, which covers all costs of the operation except direct staff costs (15%). Finally, around 13% of SCOs cover all costs of the operations.

## 5.2. AMIF stakeholder perceptions of SCO

### 5.2.1. Advantages, challenges and reasons for not using SCO

This section presents qualitative responses regarding the advantages of SCO schemes as well as issues encountered when developing them. It also includes feedback from respondents who did not use any SCO.

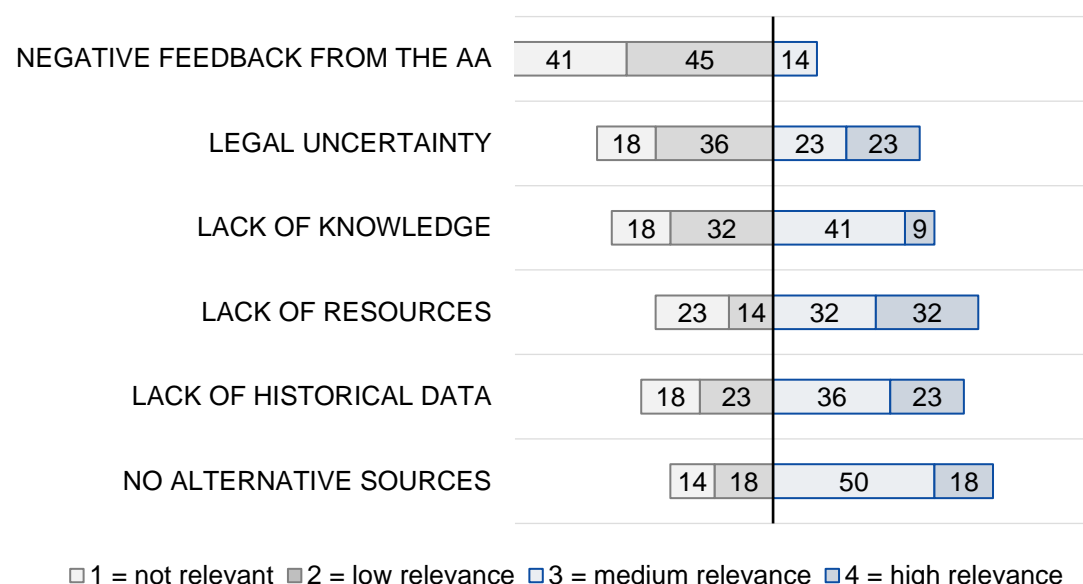
**Figure 21 - SCO advantages for AMIF programme authorities in 2021-2027 (values in %)**



The most significant advantage is the reduced administrative burden for programme authorities, considered highly relevant by 77% of respondents. This is followed by a simpler application process for beneficiaries, simpler compliance and a lower error rate. Conversely, the opportunity to focus on other activities was of no or little relevance for more than half the respondents.

The survey also mapped issues encountered by programme authorities when developing SCO schemes as shown in the figure below.

**Figure 22 - Challenges faced in developing SCO schemes for AMIF programme authorities in 2021-2027 (values in %)**



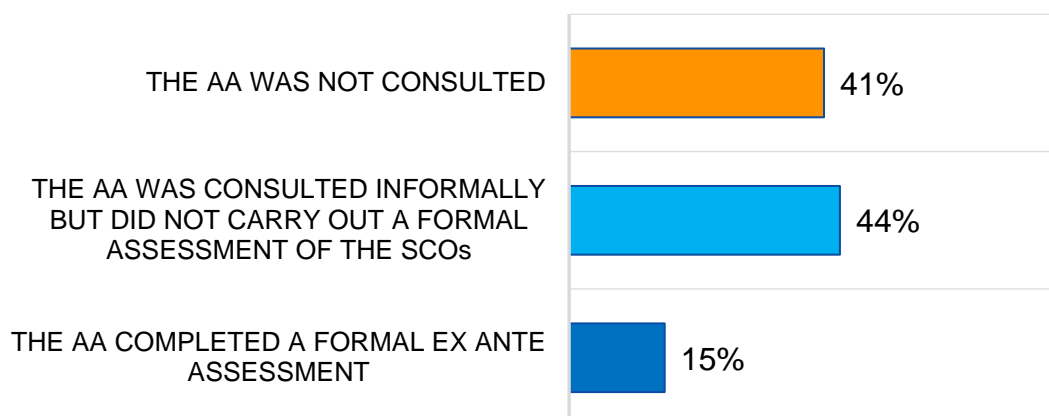
Combining the responses rated as 'medium' and 'high relevance', the most significant challenges for AMIF authorities concern the lack of resources to develop SCO schemes (considered highly problematic by nearly one-third of respondents) and issues related to the absence of historical data or alternative sources through which to develop the methodologies underpinning the schemes.

Among the two programme authorities who did not use any SCO scheme, the main reasons were awareness of the impact of miscalculating a scheme as well as burdensomeness related to SCOs.

## 5.2.2. Involvement of the audit authority in defining SCOs

The figure below presents the audit authority involvement in defining SCO schemes developed under AMIF.

**Figure 23 - Audit authority involvement in defining AMIF SCOs in 2021-2027**

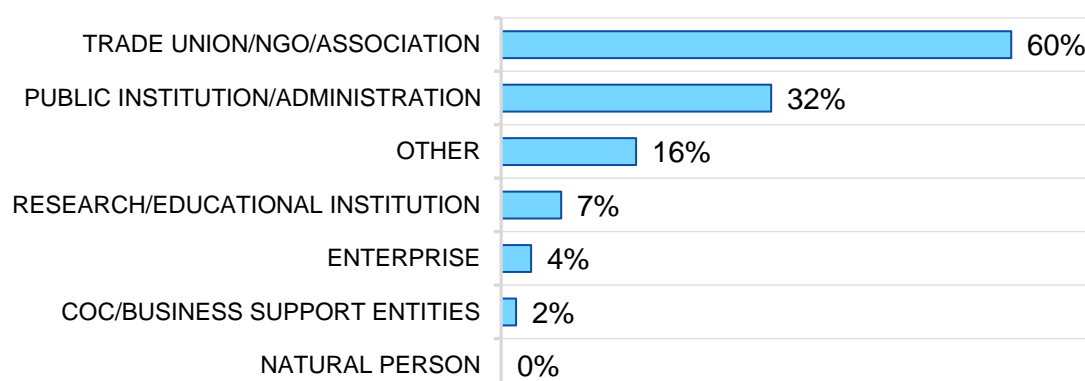


The analysis of AMIF data reveals two predominant approaches in interactions with the audit authority : the majority approach, where the AA is primarily involved at an informal level (44% of responses) and, to a lesser extent, at a formal level (15%). 41% of respondents did not consult AA at all.

### 5.2.3. Perception of beneficiaries

The survey of beneficiaries was conducted through July and August 2024 and resulted in 57 complete answers. The figure below shows the types of respondent. The total exceeds 100% because, in some cases, respondents have identified themselves as belonging to multiple categories.

**Figure 24 - Types of AMIF beneficiaries responding to the survey**



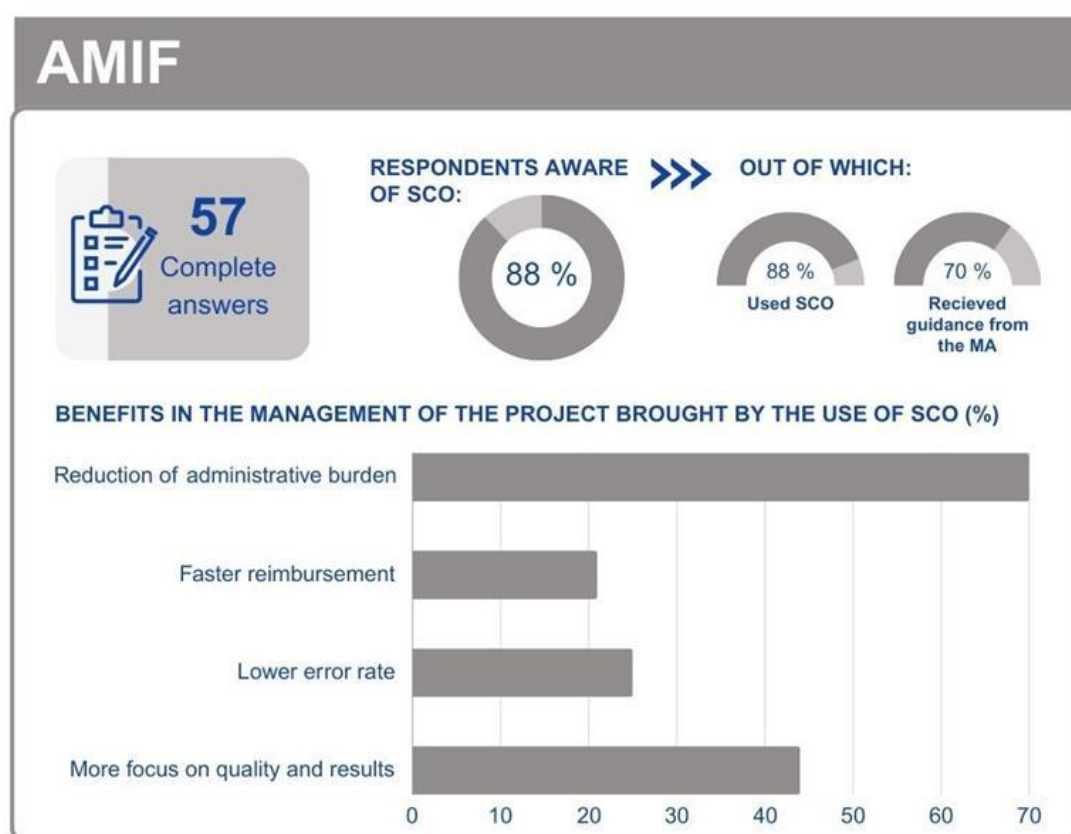
Over half of the respondents were from the category 'trade unions, NGOs or associations', while approximately one-third represented public institutions or

administrations. The 'Other' category includes respondents such as charitable organisations and police forces.

The factsheet below shows that almost all respondents (88%) were aware of SCOs (no responses were received on FNLC). Of those, the great majority used SCOs (88%) and received training, workshops, or guidelines from the managing authority (70%).

Almost all the AMIF beneficiaries who completed the survey and used SCOs (93%) declared that SCOs benefit project management. The reduced administrative burden is the main benefit (69%), similar to programme authority inputs in previous sections. In addition, 42% of respondents agreed that SCOs enabled a greater focus on the quality and results of the project.

**Figure 25 - Data collected through the survey concerning AMIF beneficiaries**



The analysis of responses to the open-ended questions on lessons learnt and recommendations to encourage the wider adoption of SCOs highlights a strong appreciation for SCOs among survey participants. Specifically, most answers noted that SCOs greatly streamline the administrative processes associated with projects. For specific recommendations from AMIF beneficiaries, some respondents stressed the importance of guidance from programme authorities to support SCO implementation.

The final section of the survey allowed beneficiaries to share their views on barriers and obstacles limiting access to CPR Funds. AMIF beneficiaries focused on three challenges to project implementation: the administrative burden associated with project management; the length and complexity of the project selection process; and the difficulty, particularly for smaller beneficiaries and associations, of self-financing part of the project activities through the co-financing requirement.

### 5.3. Use of SCOs in BMVI

The table below presents BMVI SCO use in the 2021-2027 programming period. The first four rows show SCO use at the lower level. The first row presents the coverage of SCOs 'in use' and 'programmed'. The subsequent three rows detail the total budget already covered by SCOs, the amount covered by SCOs for operations below EUR 200 000 and the portion already reimbursed to beneficiaries using SCOs.

The final two rows cover SCOs at the upper level, through Article 94(2) of the CPR. However, as of the end of May 2024, no such SCO schemes were programmed under BMVI.

The percentage is the share of programme budgets covered by SCOs identified through the study (for more detail, refer to the first and second steps of the process outlined in Chapter 1.4). The amounts in the last column are estimates of the potential budget covered at EU level including EU and national co-financing. This is determined by extrapolating the percentage in the first column to the EU level BMVI budget including national co-financing (for more detail, refer to the third step of the process outlined in Chapter 1.4). The BMVI budget refers to the entire BMVI budget including national co-financing available as of the end of May 2024, according to data provided by [cohesiondata.ec.europa.eu](https://cohesiondata.ec.europa.eu).

**Table 42 – Overview of SCO in BMVI**

|                           |   | (1) % of programme budget covered | (2) Estimated programme budget covered at EU level (EUR mio) |
|---------------------------|---|-----------------------------------|--|
| Lower level               | SCOs mapped (in use + programmed)                   | 6.7%                              | 357  |
|                           | - of which: SCOs in use                             | 6.3%                              | 340  |
|                           | - of which: SCOs mapped <200k (in use + programmed) | 0.0%                              | 1  |
|                           | - of which: already reimbursed to beneficiaries     | 0.3%                              | 18   |
| Upper level Article 94(2) | SCOs mapped (in use + programmed)                   | 0.0%                              | 0  |
|                           | SCOs in use   | 0.0%                              | 0  |

SCO use within BMVI accounts for approximately 6.7% of the BMVI budget. Based on responses, a significant portion of the expected impact at the end of the programming period is linked to existing schemes (over EUR 340 million). Expenditure already reimbursed covered by SCOs is 0.3%, or EUR 18 million. The coverage of small operations is much less at some EUR 1 million.

At the time of the survey (spring 2024), no programmes for HOME Funds (AMIF, BMVI, ISF) have planned to use an upper level SCO according to Article 94(2) of the CPR.

The table below shows SCO use at Member State level. The first column shows the share of BMVI budget covered at the lower level, while the second column details the portion of lower level SCOs for operations under EUR 200 000, providing an estimate of the impact of Article 53(2) of the CPR with mandatory SCOs for small operations. The

third column displays the share of total budget covered by upper level schemes approved under Article 94(2) of the CPR.

As previously mentioned, as of the end of May 2024, no such SCO schemes are currently programmed under BMVI.

Member States that did not complete the questionnaire are marked as 'No reply,' while those that provided only partial responses with no quantitative data, or which did not pass the quality check (see section 1.3) are marked as 'Partial.'

**Table 43 – SCO mapped in BMVI in 2021-2027 by Member State**

| Member State | Lower level |                     | Upper level |
|--------------|-------------|---------------------|-------------|
|              | SCOs mapped | Of which SCOs <200k | SCOs mapped |
| AT           | 23.1%       | 0.0%                | 0.0%        |
| BE           | No reply    | No reply            | No reply    |
| BG           | partial     | partial             | partial     |
| CY           | 7.8%        | 0.0%                | 0.0%        |
| CZ           | 2.8%        | 0.0%                | 0.0%        |
| DE           | partial     | partial             | partial     |
| DK           | No reply    | No reply            | No reply    |
| EE           | 0.8%        | 0.0%                | 0.0%        |
| EL           | partial     | partial             | partial     |
| ES           | No reply    | No reply            | No reply    |
| FI           | partial     | partial             | partial     |
| FR           | 4.2%        | 0.0%                | 0.0%        |
| HR           | 0.0%        | 0.0%                | 0.0%        |
| HU           | 33.8%       | 0.0%                | 0.0%        |
| IE           | -           | -                   | -           |
| IT           | No reply    | No reply            | No reply    |
| LT           | 0.2%        | 0.0%                | 0.0%        |
| LU           | partial     | partial             | partial     |
| LV           | No reply    | No reply            | No reply    |
| MT           | 12.1%       | 0.0%                | 0.0%        |
| NL           | 52.0%       | 0.0%                | 0.0%        |
| PL           | 0.0%        | 0.0%                | 0.0%        |
| PT           | No reply    | No reply            | No reply    |
| RO           | 0.2%        | 0.2%                | 0.0%        |
| SE           | No reply    | No reply            | No reply    |
| SI           | 6.0%        | 0.0%                | 0.0%        |
| SK           | 0.0%        | 0.0%                | 0.0%        |

As shown in the table above, by the end of the 2021-2027 period, the Netherlands is projected to be the only Member State covering over 50% of its BMVI budget with SCOs. Notable also is Hungary (34%).

### 5.3.1. Types of SCO used in 2021-2027

The table below illustrates the use of flat rate, unit cost and lump sum SCOs across Member States as the share of total programme budget covered by each type of SCO.

**Table 44 –Types of lower level SCO in 2021-2027<sup>18</sup>**

| Member State  | Lower level        |             |             |
|---------------|--------------------|-------------|-------------|
|               | Budget covered (%) |             |             |
|               | Flat Rate          | Unit Cost   | Lump Sum    |
| AT            | 23.1%              | 0.0%        | 0.0%        |
| BE            | No reply           | No reply    | No reply    |
| BG            | Partial            | Partial     | Partial     |
| CY            | 7.8%               | 0.0%        | 0.0%        |
| CZ            | 2.8%               | 0.0%        | 0.0%        |
| DE            | Partial            | Partial     | Partial     |
| DK            | No reply           | No reply    | No reply    |
| EE            | 0.8%               | 0.0%        | 0.0%        |
| EL            | Partial            | Partial     | Partial     |
| ES            | No reply           | No reply    | No reply    |
| FI            | Partial            | Partial     | Partial     |
| FR            | 4.2%               | 0.0%        | 0.0%        |
| HR            | 0.0%               | 0.0%        | 0.0%        |
| HU            | 5.3%               | 28.5%       | 0.0%        |
| IE            | -                  | -           | -           |
| IT            | No reply           | No reply    | No reply    |
| LT            | 0.2%               | 0.0%        | 0.0%        |
| LU            | Partial            | Partial     | Partial     |
| LV            | No reply           | No reply    | No reply    |
| MT            | 11.2%              | 0.9%        | 0.0%        |
| NL            | 25.3%              | 26.7%       | 0.0%        |
| PL            | 0.0%               | 0.0%        | 0.0%        |
| PT            | No reply           | No reply    | No reply    |
| RO            | 0.0%               | 0.2%        | 0.0%        |
| SE            | No reply           | No reply    | No reply    |
| SI            | 1.6%               | 4.4%        | 0.0%        |
| SK            | 0.0%               | 0.0%        | 0.0%        |
| <b>TOTAL*</b> | <b>3.3%</b>        | <b>3.3%</b> | <b>0.0%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

<sup>18</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

Among Member States using SCO, flat rates are the most commonly used. Specifically, in 7 of the 12 Member States that use SCOs, flat rates are the most used. At EU level, the coverage by flat rates and unit costs is similar (3.3% of the total budget). Lump sums are not used by any Member State.

### 5.3.2. Specific Objectives covered by SCOs in 2021-2027

The table below shows the distribution of SCOs across Specific Objectives identified through the BMVI survey. The percentages total more than 100% because each SCO can cover multiple Specific Objectives.

**Table 45 Coverage of BMVI Specific Objectives by SCOs**

| Specific Objective                                      | % of SCOs |
|---|-----------|
| SO 1: European integrated border management             | 41%       |
| SO 2: Common visa policy                                | 34%       |
| All SOs (i.e., SCOs applicable to the entire programme) | 55%       |

For BMVI, 55% of the SCOs cover all Specific Objectives of the fund. Operations supporting effective European integrated border management, which facilitate legitimate border crossings, prevention and detection of illegal immigration and cross-border crime (SO1) are covered by 41% of the schemes. Operations supporting the common visa policy and prevention of migratory and security risks (SO2) are covered by 34% of SCO schemes.

### 5.3.3. Beneficiaries covered by SCOs in 2021-2027

The table below illustrates the distribution of SCOs identified through the BMVI survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 46 Beneficiaries reimbursed through SCOs for BMVI operations**

| Type of beneficiary   | % of SCOs |
|---|-----------|
| State and federal authorities                               | 79%       |
| Constituent elements of the European Border and Coast Guard | 24%       |
| Education and research organisation                         | 17%       |
| NGOs/Associations   | 7%        |
| Municipalities/ Local authorities                           | 7%        |
| International organisations                                 | 3%        |
| Union agencies  | 3%        |
| Private and public law companies                            | 3%        |

Almost 80% of the SCOs reimburse costs to state and federal authorities. In addition, a smaller portion finance European Border and Coast Guard authorities (24%) and education and research organisations (17%). All other categories of beneficiaries are covered by 3% to 7% of schemes.

### 5.3.4. Types of costs covered by SCOs in 2021-2027

The table below shows the distribution of SCOs among the types of costs identified through the BMVI survey. The total is more than 100% because each SCO can cover multiple costs.

**Table 47 – Types of costs covered by the SCOs**

| Type of cost                      | % of SCOs |
|-----------------------------------|-----------|
| Direct costs                      | 65%       |
| Indirect costs                    | 43%       |
| All costs of the operation        | 4%        |
| All direct costs other than staff | 4%        |

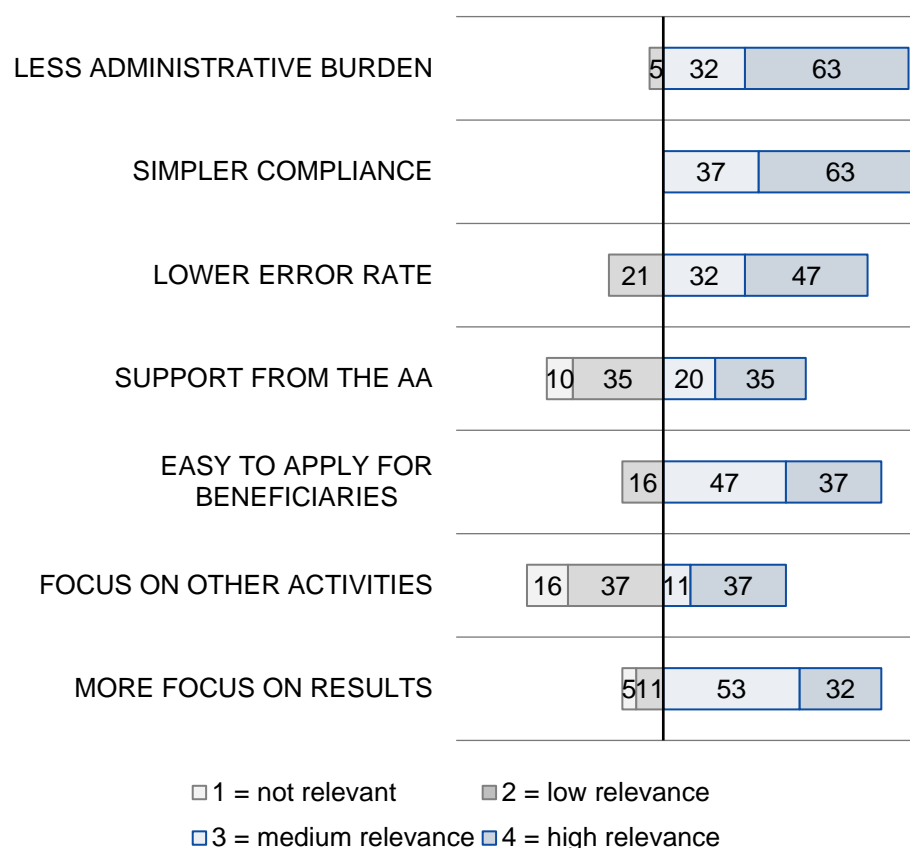
65% of SCOs cover direct costs, while 43% cover indirect costs. Few schemes cover all costs of the operations or only direct costs other than staff.

## 5.4. BMVI stakeholder perceptions of SCO

### 5.4.1. Advantages, challenges and reasons for not using SCO

This section presents qualitative inputs from respondents regarding the advantages of SCO schemes as well as issues encountered when developing them. It also includes the feedback of respondents who did not use any SCO.

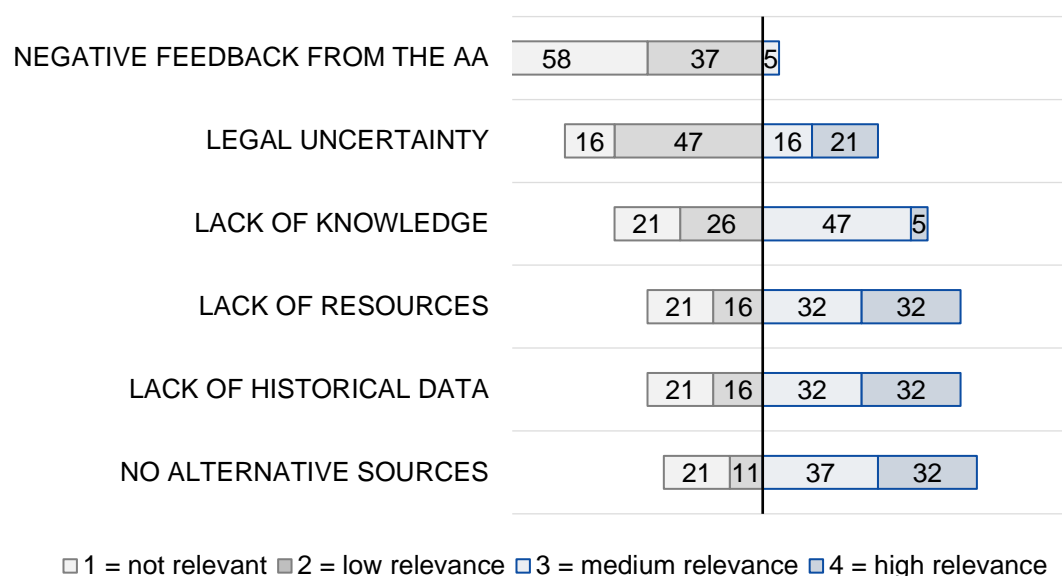
**Figure 26 - Advantages of SCO schemes for BMVI programme authorities in 2021-2027 (values in %)**



The greatest advantages of SCO schemes for BMVI programme authorities are the reduced administrative burden as well as simpler compliance checking (63% of respondents acknowledged both as highly relevant). This is followed by fewer errors and financial corrections, simpler application and implement processes, along with opportunities to focus on other activities. However, the latter was also assessed as not relevant by 16% of the respondents. Most respondents found most advantages relevant to some degree.

The survey also mapped issues encountered by programme authorities when developing the SCO schemes, as presented in the figure below.

**Figure 27 - Challenges faced in developing the SCO schemes for BMVI programme authorities in 2021-2027 (values in %)**



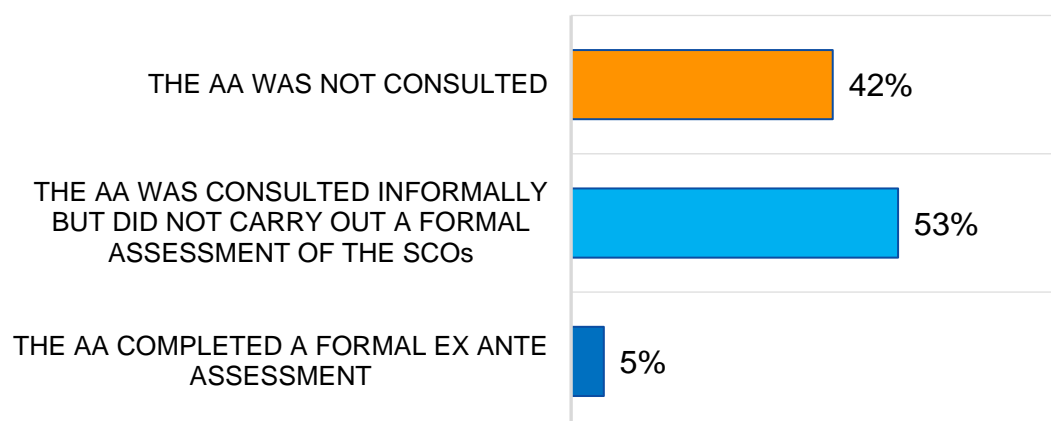
The lack of internal resources and historical data as well as difficulties in finding alternative data sources are the most relevant issues when developing SCO schemes. Most respondents (58%) acknowledged that negative feedback from the audit authority was not an issue.

Among the six programme authorities not using SCOs, the main reasons were the burdens related to SCOs, along with awareness of the impact of miscalculating a scheme.

#### 5.4.2. Involvement of the audit authority in defining SCOs

The figure below presents the involvement of the audit authority in the definition of SCO schemes developed under BMVI.

**Figure 28 - Involvement of the audit authority in SCO definition under BMVI in 2021-2027**



For the majority of the BMVI SCO schemes, the audit authority was consulted informally (53%), though not at all for 42%. There was a formal ex-ante assessment for only 5%.

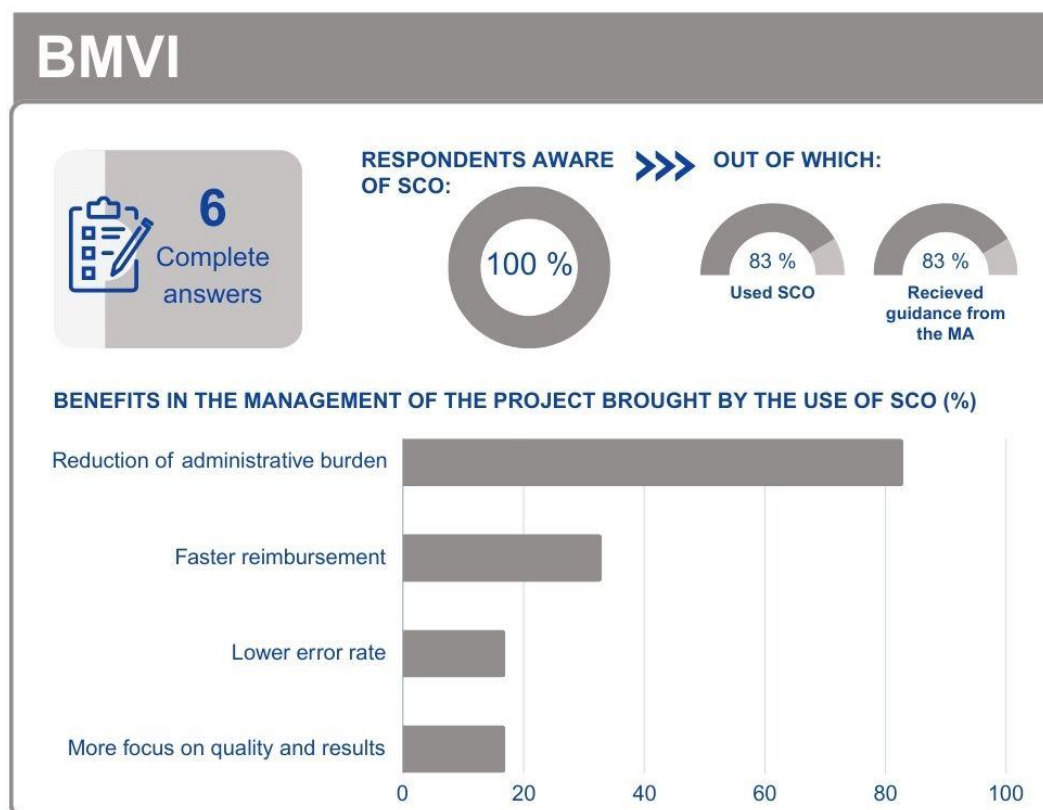
### 5.4.3. Perception of beneficiaries

The survey of beneficiaries was conducted through July and August 2024 and resulted in six complete answers. All respondents were public institutions/administrations.

The factsheet below presents data collected through the survey, showing that all six respondents were aware of SCOs (no responses were received regarding FNLC). Five used SCOs and received training, workshops, or guidelines from the managing authority explaining SCOs.

All the BMVI beneficiaries who completed the survey and used SCOs declared that SCOs brought benefits for project management. Reduced administrative burden is the main benefit in line with programme authority inputs presented in previous sections. In addition, a third of respondents agreed that SCOs speed up reimbursement.

**Figure 29 - Data collected through the survey concerning BMVI beneficiaries**



Responses to open-ended questions on potential lessons learnt or recommendations for the use of SCOs were limited. Two out of six respondents, despite previously confirming that SCOs had benefited their projects, especially by reducing administrative costs, stated that SCOs are not always preferable to actual costs.

None of the respondents identified any specific barriers or challenges that hindered access to EU funds.

## 5.5. Use of SCOs in ISF

The table below covers SCO use under ISF during the 2021-2027 programming period. The first four rows show SCO use at the lower level. The first row presents the coverage of SCOs 'in use' and 'programmed'. The subsequent three rows detail the total budget already covered by SCOs, the amount covered by SCOs for operations below EUR 200 000 and the portion already reimbursed to beneficiaries using SCOs.

The final two rows cover SCO designed at the upper level, through Article 94(2) of the CPR. However, as of the end of May 2024, no such SCO schemes are currently programmed under ISF.

The percentage is based on the share of programme budgets covered by SCOs identified through the study (for more detail, refer to the first and second steps of the process outlined in Chapter 1.4). The amounts in the last column are estimates of the potential budget covered at EU level including EU and national co-financing. This applies the percentage from the first column to the entire ISF budget including national co-financing at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4). The ISF budget considered for this calculation refers to the entire ISF budget including national co-financing available as of the end of May 2024, according to data provided by [cohesiondata.ec.europa.eu](https://cohesiondata.ec.europa.eu).

**Table 48 Overview of SCO in ISF**

|                           |   | (1) % of programme budget covered | (2) Estimated programme budget covered at EU level (EUR mio) |
|---------------------------|---|-----------------------------------|--|
| Lower level               | SCOs mapped* (in use + programmed)                  | 11.0%                             | 163  |
|                           | - of which: SCOs in use                             | 11.0%                             | 163  |
|                           | - of which: SCOs mapped <200k (in use + programmed) | 0.3%                              | 5  |
|                           | - of which: already reimbursed to beneficiaries     | 0.4%                              | 6  |
| Upper level Article 94(2) | SCOs mapped (in use + programmed)                   | 0.0%                              | 0  |
|                           | SCOs in use   | 0.0%                              | 0  |

Based on information from Member States, only 11% of the ISF budget will be allocated to SCOs (around EUR 163 million). This is fully covered by existing SCOs (no new schemes envisaged). Of this a low share of 0.3% (EUR 5 million) is for operations of less than EUR 200 000 and 0.4% (EUR 6 million) has been reimbursed to beneficiaries.

At the time of the survey (spring 2024), no ISF programmes have planned to use reimbursement of the EU contribution according to Article 94(2) of the CPR.

The table below shows SCO use at Member State level. The first column shows the share of ISF budget covered at the lower level, while the second column details the portion of lower level SCOs covered by small operations. The third column displays the budget covered by schemes approved under Article 94(2) of the CPR.

As previously mentioned, at the time of the survey (spring 2024) no such SCO is programmed under ISF.

Member States that did not complete the questionnaire are marked in the table as 'No reply,' while those that provided only partial responses with no amounts, or submitted inconsistent responses which did not pass the quality check (see section 1.3) are marked as 'Partial.'

**Table 49 –SCO mapped in ISF in 2021-2027 by Member State**

| Member State | Lower level |                     | Upper level |
|--------------|-------------|---------------------|-------------|
|              | SCOs mapped | Of which SCOs <200k | SCOs mapped |
| AT           | No reply    | No reply            | No reply    |
| BE           | No reply    | No reply            | No reply    |
| BG           | 0.3%        | 0.3%                | 0.0%        |
| CY           | 5.3%        | 0.0%                | 0.0%        |
| CZ           | 18.8%       | 0.0%                | 0.0%        |
| DE           | No reply    | No reply            | No reply    |
| DK           | -           | -                   | -           |
| EE           | 1.4%        | 0.0%                | 0.0%        |
| EL           | partial     | partial             | partial     |
| ES           | No reply    | No reply            | No reply    |
| FI           | partial     | partial             | partial     |
| FR           | 4.4%        | 0.0%                | 0.0%        |
| HR           | No reply    | No reply            | No reply    |
| HU           | 54.2%       | 0.0%                | 0.0%        |
| IE           | No reply    | No reply            | No reply    |
| IT           | No reply    | No reply            | No reply    |
| LT           | 0.5%        | 0.0%                | 0.0%        |
| LU           | partial     | partial             | partial     |
| LV           | No reply    | No reply            | No reply    |
| MT           | 11.5%       | 0.0%                | 0.0%        |
| NL           | 53.0%       | 0.0%                | 0.0%        |
| PL           | 0.0%        | 0.0%                | 0.0%        |
| PT           | No reply    | No reply            | No reply    |
| RO           | 3.2%        | 3.2%                | 3.2%        |
| SE           | No reply    | No reply            | No reply    |
| SI           | 5.6%        | 0.1%                | 0.0%        |
| SK           | 0.0%        | 0.0%                | 0.0%        |

By the end of the 2021-2027 period, two Member States expect over 50% of the ISF budget to be covered by SCOs: Hungary (54%) and the Netherlands (53%). Most of the other Member States expect the SCO to cover only a small portion of their budget.

### 5.5.1. Types of SCO used in 2021-2027

The table below illustrates the use of flat rate, unit cost and lump sum SCOs across Member States, with the share of total programme budget covered by each type.

**Table 50 – ISF Type of SCO at the lower level in 2021-2027<sup>19</sup>**

| Member State  | Lower level        |             |             |
|---------------|--------------------|-------------|-------------|
|               | Budget covered (%) |             |             |
|               | Flat Rate          | Unit Cost   | Lump Sum    |
| AT            | No reply           | No reply    | No reply    |
| BE            | No reply           | No reply    | No reply    |
| BG            | 0.0%               | 0.0%        | 0.3%        |
| CY            | 5.3%               | 0.0%        | 0.0%        |
| CZ            | 4.1%               | 14.7%       | 0.0%        |
| DE            | No reply           | No reply    | No reply    |
| DK            | -                  | -           | -           |
| EE            | 1.4%               | 0.0%        | 0.0%        |
| EL            | partial            | partial     | partial     |
| ES            | No reply           | No reply    | No reply    |
| FI            | partial            | partial     | partial     |
| FR            | 4.4%               | 0.0%        | 0.0%        |
| HR            | No reply           | No reply    | No reply    |
| HU            | 7.0%               | 47.2%       | 0.0%        |
| IE            | No reply           | No reply    | No reply    |
| IT            | No reply           | No reply    | No reply    |
| LT            | 0.5%               | 0.0%        | 0.0%        |
| LU            | partial            | partial     | partial     |
| LV            | No reply           | No reply    | No reply    |
| MT            | 11.4%              | 0.1%        | 0.0%        |
| NL            | 26.4%              | 26.5%       | 0.0%        |
| PL            | 0.0%               | 0.0%        | 0.0%        |
| PT            | No reply           | No reply    | No reply    |
| RO            | 0.0%               | 3.2%        | 0.0%        |
| SE            | No reply           | No reply    | No reply    |
| SI            | 4.8%               | 0.7%        | 0.0%        |
| SK            | 0.0%               | 0.0%        | 0.0%        |
| <b>TOTAL*</b> | <b>4.4%</b>        | <b>6.6%</b> | <b>0.0%</b> |

\* The 'total' row displays the percentage of the budget covered by SCO at the EU level.

<sup>19</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

Among Member States using SCOs, flat rates are the most commonly employed. Specifically, in 6 of the 11 Member States using SCOs, flat rates predominate. However, at EU level (as shown in the last row of the table), unit cost SCOs account for the larger share at 6.6%, compared to 4.4% for flat rates. Lump sums are used only in Bulgaria, where they are the only type of SCO implemented.

### 5.5.2. Specific Objectives covered by SCOs in 2021-2027

The table below shows the distribution of SCOs among Specific Objectives identified through the ISF survey. The total is more than 100% because each SCO can cover multiple Specific Objectives.

**Table 51 - Coverage of ISF Specific Objectives by the SCO**

| Specific Objective                                     | % of SCOs |
|--|-----------|
| SO 1: Exchange of information                          | 42%       |
| SO 2: Cross-border cooperation                         | 27%       |
| SO 3: Prevention and combating crime                   | 27%       |
| all SOs(i.e., SCOs applicable to the entire programme) | 12%       |

42% of the SCO schemes under ISF cover the exchange of information (SO 1). In addition, almost one third (27%) cover operations related to cross-border cooperation (SO 2), as well as preventing and combatting crime (SO 3).

### 5.5.3. Beneficiaries covered by SCO in 2021-2027

The table below illustrates the distribution of SCOs among the types of beneficiaries identified through the ISF survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 52 – Beneficiaries reimbursed through SCOs for ISF operations**

| Type of beneficiary                                    | % of SCOs |
|--|-----------|
| State/federal police                                   | 64%       |
| Customs and other specialised law enforcement services | 45%       |
| NGOs/Associations                                      | 30%       |
| International organisations                            | 21%       |
| Research institutes and universities                   | 18%       |
| Municipalities/ Local authorities                      | 9%        |
| Private and public law companies                       | 6%        |
| Networks   | 6%        |
| Union agencies   | 0%        |

Over 60% of SCOs cover operations supporting state and federal police. Many schemes concern customs and specialised law enforcement (45%), with some covering NGOs and associations (30%), international organisations (21%), as well as research institutes and universities (18%). Few cover municipalities or local authorities (9%) or private/public law companies and networks (6%).

#### 5.5.4. Types of costs covered by SCOs in 2021-2027

The table below shows the distribution of SCOs across types of costs identified through the ISF survey. The percentages total more than 100% because each SCO can cover multiple costs.

**Table 53 – Types of costs covered by the SCOs**

| Type of cost                      | % of SCOs |
|-----------------------------------|-----------|
| Direct costs                      | 55%       |
| Indirect costs                    | 38%       |
| All costs of the operation        | 7%        |
| All direct costs other than staff | 3%        |

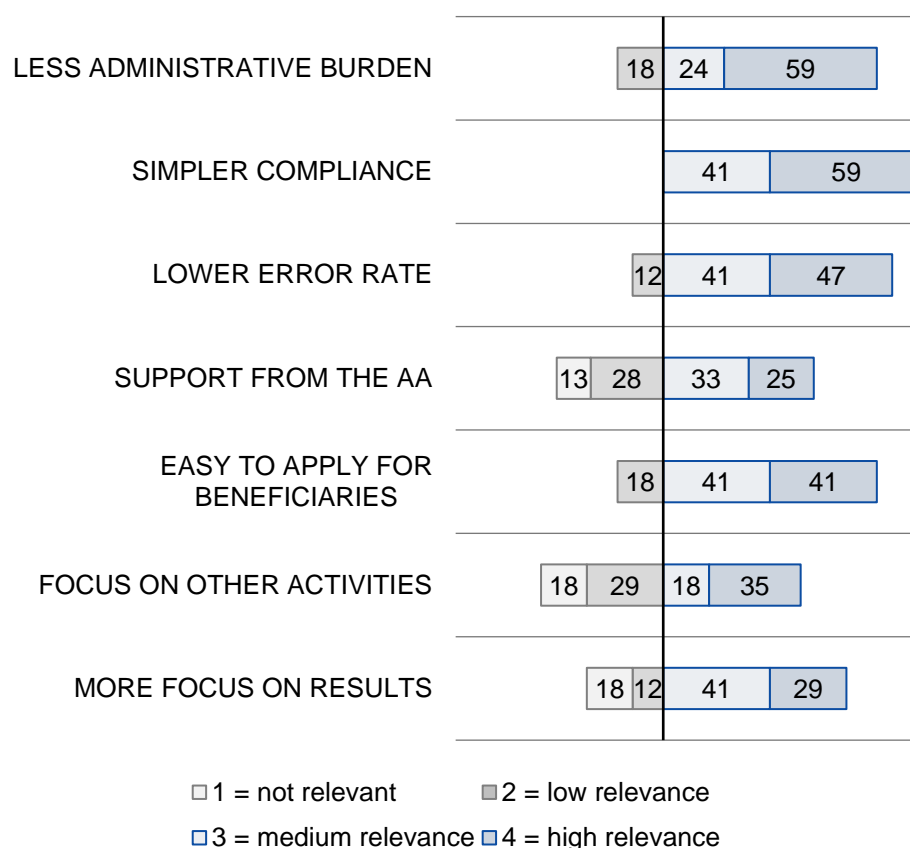
55% of SCO schemes cover direct costs, while 38% cover indirect costs. Similar to BMVI, few schemes cover all costs of the operations (7%).

### 5.6. ISF stakeholder perceptions of SCOs

#### 5.6.1. Advantages, challenges and reasons for not using SCOs

This section presents qualitative inputs from respondents regarding the advantages of SCO schemes as well as issues encountered when developing them. It also includes the feedback of respondents who did not use any SCO.

**Figure 30 - Advantages of SCO schemes for ISF programme authorities in 2021-2027 (values in %)**

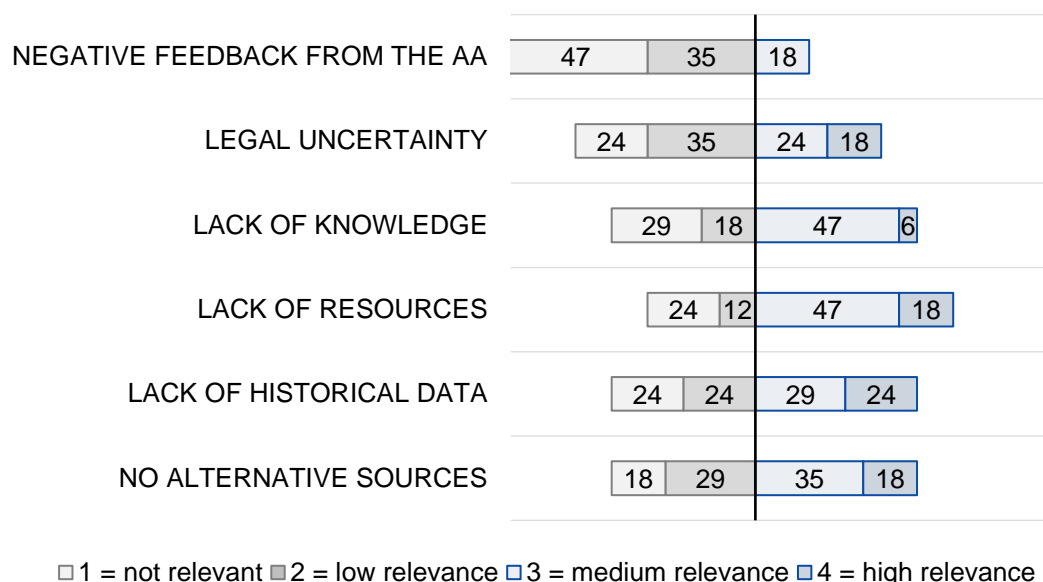


The greatest advantages for programme authorities are the reduced administrative burden as well as simpler compliance checking (highly relevant for 59% of respondents in both cases). This is followed by fewer errors and financial corrections as well as simpler application and implementation processes.

Audit authority involvement, as well as opportunities to focus on other activities and results were not relevant for 13% and 18% of respondents respectively.

The survey also mapped issues encountered by programme authorities when developing the SCO schemes, as seen in the figure below.

**Figure 31 - Challenges faced in developing the SCO schemes for ISF programme authorities in 2021-2027 (values in %)**



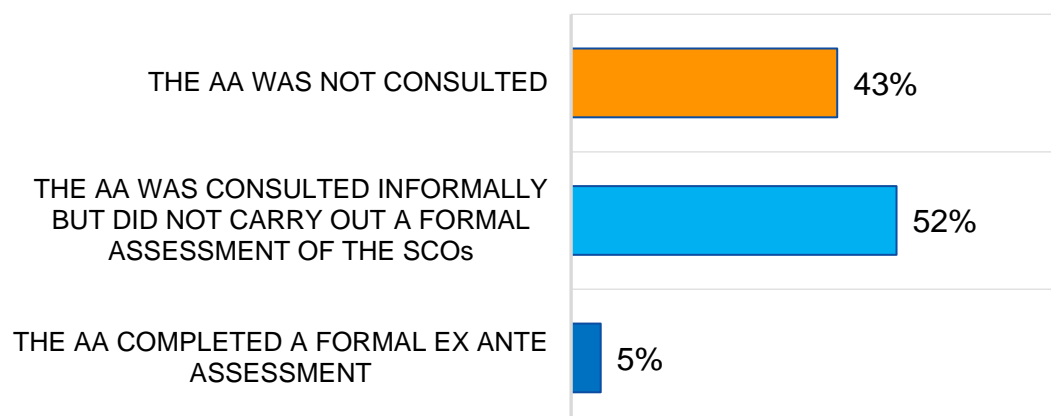
Combining the responses rated as 'medium' and 'high relevance' the most significant challenges for ISF authorities concern the lack of resources to develop SCO schemes and issues related to the lack of historical data or alternative data sources through which to develop the methodologies underpinning the schemes. Conversely, approximately half of the respondents consider negative feedback from the audit authority to be a non-issue.

Among the five programme authorities who declared not using any SCO schemes, the main reasons were the burden of SCOs, awareness of the impact of miscalculating the schemes and a lack of information.

### 5.6.2. Involvement of the audit authority in defining SCOs

The figure below presents the involvement of the audit authority in the definition of SCO schemes developed under ISF.

**Figure 32 - Audit authority Involvement in SCO definition under ISF in 2021-2027**



For the majority of the SCO schemes developed under the ISF, the audit authority was consulted informally (52%), but not consulted at all for 43%. The audit authority completed a formal ex-ante assessment for only 5% of the schemes.

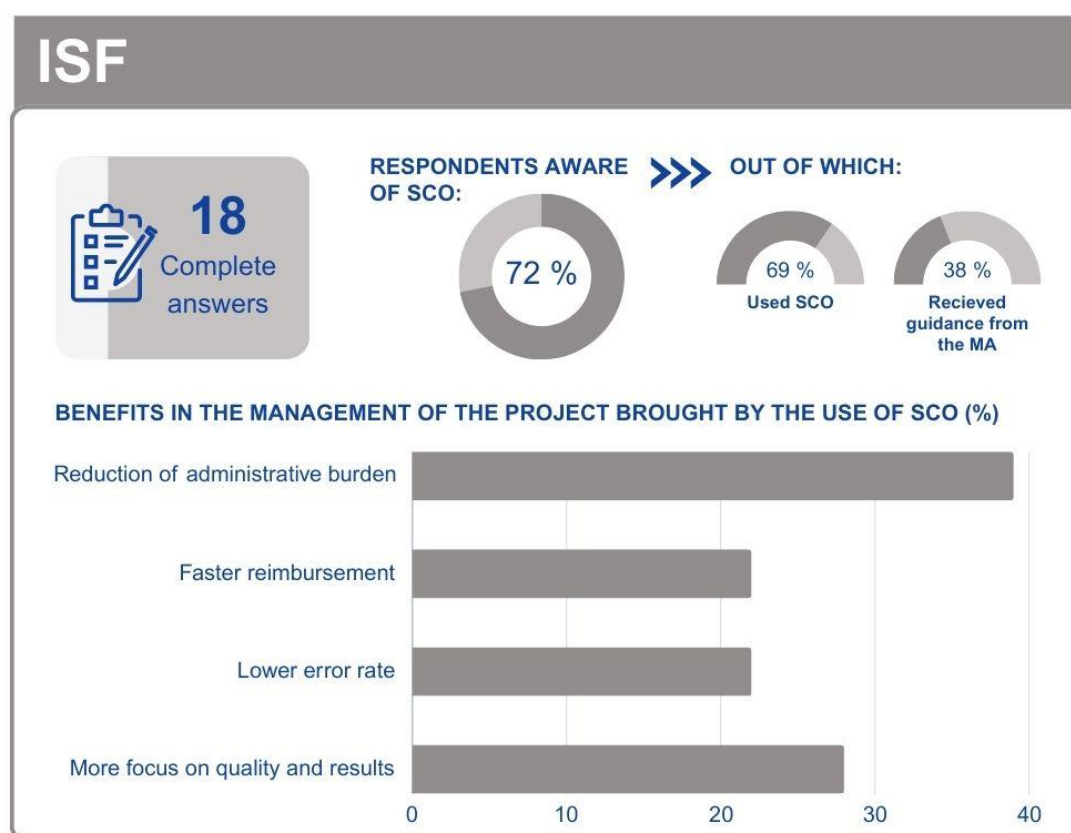
### 5.6.3. Perception of beneficiaries

The survey of beneficiaries was conducted through July and August 2024 and resulted in 18 complete answers. Almost all respondents were public institutions/administrations benefiting from ISF funding, the only exception was one law enforcement agency.

The factsheet below presents data collected through the survey. It shows that 14 of the 18 respondents (72%) were aware of SCOs (no responses covered FNLC). Of those, nine (69%) used SCOs and five (38%) received training, workshops, or guidelines from the managing authority explaining SCOs.

All the ISF beneficiaries who completed the survey and used SCOs said that SCOs brought benefits for project management. According to them, reduced administrative burden is the main benefit (39%), which matches programme authority inputs presented in the previous sections. In addition, 28% of respondents agreed that SCOs enabled more focus on the quality and results of the project.

**Figure 33 - Data collected through the survey concerning ISF beneficiaries**



The analysis of responses to the open-ended questions on lessons learnt and recommendations on promoting wider adoption of SCOs reveals a strong appreciation for SCOs. Most respondents highlighted that SCOs significantly simplify the administrative processes for projects.

Regarding specific recommendations, none of the respondents offered suggestions on how to enhance the use of SCOs.

In the final section of the survey, where respondents were invited to share their perspectives on barriers and obstacles limiting access to CPR Funds, only two ISF beneficiaries provided responses. These focused on the administrative burden associated with project management and the length and complexity of the project selection process.

## 6. DG MARE Funds – EMFF/EMFAF

### 6.1. Key findings

The table below shows the uptake of simplification measures across two programming periods. The first column shows uptake at both lower and upper levels in 2014-2020. The second column combines the expected impacts of SCOs and FNLC, presenting their expected coverage by the end of the current programming period. It is important to highlight that these figures are solely based on responses to the survey. For instance, data on SCOs planned under Article 94(2) by Estonia are not included in the report, as Estonia did not participate in the survey.

For both programming periods and both levels, the percentage refers to the total EMFF/EMFAF budget. The uptake of total EMFF/EMFAF + budget excludes the portion covered by financial instruments, for which SCOs and FNLC are not applicable.

**Table 54 – Use of simplification measures in EMFF/EMFAF**

|                         | 2014-2020 | 2021-2027  |
|-------------------------|-----------|------------|
|                         | SCO       | SCO + FNLC |
| Coverage at lower level | 7.7%      | 12.8%      |
| Coverage at upper level | -         | 0.0%       |

### 6.2. Use of SCOs in 2014-2020

The percentage in the table below is based on the share of programme budgets covered by SCOs identified through the study. For more detail, refer to the first and second steps of the process outlined in Chapter 1.4. The amounts in the last column are estimates of the potential budget covered at EU level, including EU and national co-financing. This applies the percentage from the first column to the entire EMFF budget including co-financing at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4).

**Table 55 – Overview of EMFF SCO use in 2014-2020**

|      | (1) % of OP budget covered | (2) Estimated OP budget covered at EU level (EUR mio) |
|------|----------------------------|---|
| SCOs | 7.7%                       | 596   |

SCO use would account for almost EUR 600 million, or 7.7% of the total EMFF budget.

The table below shows SCO use at Member State level through the percentage of EMFF budget covered by SCOs. Member States that did not complete the questionnaire are marked in the table as 'No reply,' while those that provided only partial responses (e.g. no amounts) or submitted inconsistent responses which that did not pass the quality check (see section 1.3) are marked as 'Partial.'

**Table 56 – EMFF SCO use in 2014-2020 by Member State**

| Member State | SCOs     |
|--------------|----------|
| AT           | partial  |
| BE           | No reply |
| BG           | 2.9%     |
| CY           | 27.0%    |
| CZ           | 0.0%     |
| DE           | 11.6%    |
| DK           | partial  |
| EE           | No reply |
| EL           | 0.0%     |
| ES           | No reply |
| FI           | 30.8%    |
| FR           | No reply |
| HR           | No reply |
| HU           | No reply |
| IE           | No reply |
| IT           | No reply |
| LT           | No reply |
| LU           | -        |
| LV           | No reply |
| MT           | 0.0%     |
| NL           | No reply |
| PL           | 9.3%     |
| PT           | No reply |
| RO           | 0.0%     |
| SE           | partial  |
| SI           | No reply |
| SK           | 0.0%     |
| UK           | No reply |

As shown in the table above, at the end of the 2014-2020 period, only two Member States covered more than 20% of their EMFF budget using SCOs: Cyprus and Finland.

### 6.2.1. Types of SCO used in 2014-2020

The table below illustrates the use of flat rate, unit cost and lump sum SCOs across Member States as the share of total programme budget covered by each type of SCO.

**Table 57 –Type of EMFF SCO at the lower level in 2014-2020<sup>20</sup>**

| Member State  | Lower level        |             |             |
|---------------|--------------------|-------------|-------------|
|               | Budget covered (%) |             |             |
|               | Flat Rate          | Unit Cost   | Lump Sum    |
| AT            | partial            | partial     | partial     |
| BE            | No reply           | No reply    | No reply    |
| BG            | 0.0%               | 2.9%        | 0.0%        |
| CY            | 15.0%              | 1.5%        | 10.5%       |
| CZ            | 0.0%               | 0.0%        | 0.0%        |
| DE            | 10.6%              | 1.0%        | 0.0%        |
| DK            | partial            | partial     | partial     |
| EE            | No reply           | No reply    | No reply    |
| EL            | 0.0%               | 0.0%        | 0.0%        |
| ES            | No reply           | No reply    | No reply    |
| FI            | 0.1%               | 27.2%       | 3.4%        |
| FR            | No reply           | No reply    | No reply    |
| HR            | No reply           | No reply    | No reply    |
| HU            | No reply           | No reply    | No reply    |
| IE            | No reply           | No reply    | No reply    |
| IT            | No reply           | No reply    | No reply    |
| LT            | No reply           | No reply    | No reply    |
| LU            | -                  | -           | -           |
| LV            | No reply           | No reply    | No reply    |
| MT            | 0.0%               | 0.0%        | 0.0%        |
| NL            | No reply           | No reply    | No reply    |
| PL            | 9.3%               | 0.0%        | 0.0%        |
| PT            | No reply           | No reply    | No reply    |
| RO            | 0.0%               | 0.0%        | 0.0%        |
| SE            | partial            | partial     | partial     |
| SI            | No reply           | No reply    | No reply    |
| SK            | 0.0%               | 0.0%        | 0.0%        |
| UK            | No reply           | No reply    | No reply    |
| <b>TOTAL*</b> | <b>2.2%</b>        | <b>5.0%</b> | <b>0.5%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

The five Member States using SCOs use two predominant approaches. In Cyprus, Germany and Poland flat rates are the most frequently used SCO. In Bulgaria and Finland unit costs are more prevalent. At EU level, the impacts of unit costs are more significant, covering approximately 5% of the EMFF budget.

<sup>20</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

## 6.2.2. Union priorities covered by SCOs in 2014-2020

The table below shows the distribution of SCOs among the EMFF EU priorities identified through the EMFF survey. The percentages total more than 100% because each SCO can cover multiple Union priorities.

**Table 58 – Coverage of EMFF Union priorities by SCOs**

| Union priority   | % of SCO |
|--|----------|
| Union priority 1: Promoting environmentally sustainable (...) fisheries      | 67%      |
| Union priority 2: Fostering environmentally sustainable (...) aquaculture    | 13%      |
| Union priority 3: Fostering implementation of the Common Fisheries Policy    | 53%      |
| Union priority 4: Increasing employment and territorial cohesion (CLLD)      | 20%      |
| Union priority 5: Fostering marketing and processing                         | 33%      |
| Union priority 6: Fostering implementation of the Integrated Maritime Policy | 7%       |

Some two thirds of SCO schemes (67%) were used in EMFF operations promoting environmentally sustainable, resource-efficient, innovative, competitive and knowledge-based fisheries. Over half (53%) were used to foster implementation of the Common Fisheries Policy. The least covered Union priority was fostering the implementation of the Integrated Maritime Policy (7%).

## 6.2.3. Beneficiaries covered by SCO in 2014-2020

The table below illustrates the distribution of SCOs among the types of beneficiaries identified through the EMFF survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 59 – Beneficiaries reimbursed through SCOs for EMFF operations**

| Type of beneficiary     | % of SCOs |
|-------------------------|-----------|
| Legal person            | 73%       |
| Public authority        | 67%       |
| Natural person          | 40%       |
| Universities            | 27%       |
| Organisation of fishers | 13%       |

Nearly three quarters of the SCOs (73%) were used for EMFF operations implemented by legal persons. Other types of beneficiaries reimbursed through SCOs are: public authorities (67%), as well as natural persons (40%). Only 13% reimbursed organisations of fishers.

## 6.2.4. Types of costs covered by SCOs in 2014-2020

The table below shows the distribution of SCOs among the types of costs identified through the EMFF survey. The total is more than 100% because each SCO can cover multiple costs.

**Table 60 – Types of costs covered by the SCOs**

| Type of cost               | % of SCOs |
|----------------------------|-----------|
| All costs of the operation | 60%       |

| Type of cost                      | % of SCOs |
|-----------------------------------|-----------|
| Direct costs                      | 33%       |
| Indirect costs                    | 20%       |
| All direct costs other than staff | 0%        |

The majority of SCO schemes (60%) covered all the costs of the operations, 33% covered direct costs and 20% covered indirect costs.

### 6.3. Use of SCOs in 2021-2027

The table below covers SCO use within EMFAF during the 2021-2027 programming period. The first three rows show SCO use at the lower level. The first row presents the coverage of SCO 'in use' and 'programmed'. The subsequent two rows detail the total already covered by SCOs and the part already reimbursed to beneficiaries using SCOs.

The final two rows represent the use of SCOs at the upper level under Article 94(2) of the CPR. Based on the survey responses, no such SCOs are currently programmed under EMFAF. However, according to information provided by DG MARE, Estonia (which did not respond to the survey questionnaire) has submitted a SCO scheme for approval under Article 94(2) of the CPR.

The percentage is based on the share covered by SCOs of the budgets of programmes that participated in the survey. For more detail, refer to the first and second steps of the process outlined in Chapter 1.4. The amounts in the last column are estimates of the potential budget covered at EU level including both EU and national co-financing. This applies the percentage from the first column to the entire EMFAF budget including national co-financing at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4).

**Table 61 – Overview of SCO in EMFAF in 2021-2027**

|                           |   | (1) % of programme budget covered | (2) Estimated programme budget covered at EU level (EUR mio) |
|---------------------------|---|-----------------------------------|--|
| Lower level               | SCOs mapped (in use + programmed)               | 12.8%                             | 1 022  |
|                           | - of which: SCOs in use                         | 7.7%                              | 619  |
|                           | - of which: already reimbursed to beneficiaries | 1.3%                              | 106  |
| Upper level Article 94(2) | SCOs mapped (in use + programmed)               | 0.0%                              | 0  |
|                           | SCOs in use                                     | 0.0%                              | 0  |

The use of SCOs within EMFAF accounts for some 13% of the EMFAF budget (over EUR 1 billion). Based on responses, a significant portion of the expected impact at the end of the programming period is linked to existing schemes (over EUR 0.6 billion). The expenditure already reimbursed by SCOs (1.3%, or EUR 0.1 billion) seems to confirm some delay in implementation of the 2021-2027 funds. This suggests the cost reduction

and administrative burden benefits will only be felt as financial absorption of the programmes progresses.

The table below shows the use of SCOs at Member State level. The first column shows the share of EMFAF budget covered at the lower level, while the second column displays the percentage of the total budget covered by schemes approved under Article 94(2) of the CPR, which are not applicable in this case.

For some Member States (identified in blue in the table), coverage for 2021-2027 in the column 'SCOs planned' is derived from 2014-2020 data. For more details see chapters 1.3 and 1.4.

**Table 62 – SCO mapped in EMFAF in 2021-2027 by Member State**

|              | Lower level | Upper level<br>Article 94(2) |
|--------------|-------------|------------------------------|
| Member state | SCOs mapped | SCOs mapped                  |
| AT           | 5.6%        | 0.0%                         |
| BE           | No reply    | No reply                     |
| BG           | No reply    | No reply                     |
| CY           | No reply    | No reply                     |
| CZ           | 13.9%       | 0.0%                         |
| DE           | 11.6%       | 0.0%                         |
| DK           | partial     | partial                      |
| EE           | No reply    | No reply <sup>21</sup>       |
| EL           | 0.1%        | 0.0%                         |
| ES           | 18.5%       | 3.9%                         |
| FI           | 39.2%       | 0.0%                         |
| FR           | No reply    | No reply                     |
| HR           | No reply    | No reply                     |
| HU           | No reply    | No reply                     |
| IE           | No reply    | No reply                     |
| IT           | No reply    | No reply                     |
| LT           | No reply    | No reply                     |
| LU           | 0.0%        | 0.0%                         |
| LV           | No reply    | No reply                     |
| MT           | 25.0%       | 16.3%                        |
| NL           | No reply    | No reply                     |
| PL           | 9.3%        | 0.0%                         |
| PT           | No reply    | No reply                     |
| RO           | 0.0%        | 0.0%                         |
| SE           | No reply    | No reply                     |
| SI           | 2.8%        | 0.0%                         |

<sup>21</sup> Estonia (which did not respond to the survey questionnaire) has submitted a Member State designed SCO scheme for approval under Article 94(2) of the CPR.

|    |      |      |
|----|------|------|
| SK | 0.0% | 0.0% |
|----|------|------|

All Member States are expected to cover less than half the programme budget using SCOs – the highest being Finland (39%), Malta (25%), Spain (19%) and Czechia (14%).

### 6.3.1. Types of SCO used in 2021-2027

The table below illustrates the use of flat rate, unit cost and lump sum SCOs across Member States as the share of total programme budget expected to be covered. Detail for Member States marked in blue is derived from 2014-2020 data.

**Table 63 – EMFAF type of SCO at lower level in 2021-2027<sup>22</sup>**

| Member State | Lower level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | 0.7%               | 4.9%      | 0.0%     |
| BE           | No reply           | No reply  | No reply |
| BG           | No reply           | No reply  | No reply |
| CY           | No reply           | No reply  | No reply |
| CZ           | 0.6%               | 13.3%     | 0.0%     |
| DE           | 2.9%               | 8.7%      | 0.0%     |
| DK           | partial            | partial   | partial  |
| EE           | No reply           | No reply  | No reply |
| EL           | 0.0%               | 0.0%      | 0.1%     |
| ES           | 0.8%               | 17.7%     | 0.0%     |
| FI           | 28.5%              | 0.0%      | 10.7%    |
| FR           | No reply           | No reply  | No reply |
| HR           | No reply           | No reply  | No reply |
| HU           | No reply           | No reply  | No reply |
| IE           | No reply           | No reply  | No reply |
| IT           | No reply           | No reply  | No reply |
| LT           | No reply           | No reply  | No reply |
| LU           | -                  | -         | -        |
| LV           | No reply           | No reply  | No reply |
| MT           | 8.3%               | 16.7%     | 0.0%     |
| NL           | No reply           | No reply  | No reply |
| PL           | 5.6%               | 3.7%      | 0.0%     |
| PT           | No reply           | No reply  | No reply |
| RO           | 0.0%               | 0.0%      | 0.0%     |
| SE           | No reply           | No reply  | No reply |
| SI           | 0.0%               | 0.0%      | 2.8%     |
| SK           | 0.0%               | 0.0%      | 0.0%     |

<sup>22</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

| Lower level        |             |             |             |
|--------------------|-------------|-------------|-------------|
| Budget covered (%) |             |             |             |
| Member State       | Flat Rate   | Unit Cost   | Lump Sum    |
| <b>TOTAL*</b>      | <b>2.9%</b> | <b>9.4%</b> | <b>0.5%</b> |

\* The 'total' row displays the percentage of the budget covered by SCO at the EU level.

For most Member States, the majority of coverage is based on unit costs. Similarly, at EU level (last row of the table), unit cost SCOs cover 8.1%. This is followed by the flat rate, predominantly off-the-shelf flat rate as set in the regulation. Lump sums are only used by three Member States and have low budget coverage (0.5% at EU level).

### 6.3.2. Specific Objectives covered by SCOs in 2021-2027

The table below shows the distribution of SCOs among the Specific Objectives identified through the EMFAF survey. The total is more than 100% because each SCO can cover multiple Specific Objectives.

**Table 64 – Coverage of EMFAF Specific Objectives by the SCOs**

| Specific Objective  | % of SCOs |
|---|-----------|
| SO 1.1: Strengthening economically, socially and environmentally sustainable fishing activities | 38%       |
| SO 1.2: Engine replacement and modernisation  | 19%       |
| SO 1.3: Permanent and temporary cessation   | 22%       |
| SO 1.4: Control and data collection   | 54%       |
| SO 1.5: Outermost regions   | 5%        |
| SO 1.6: Protection and restoration of biodiversity  | 11%       |
| SO 2.1: Sustainable aquaculture activities  | 49%       |
| SO 2.2: Marketing and processing  | 41%       |
| SO 3.1: Enabling a sustainable blue economy   | 30%       |
| SO 4.1: Strengthening international ocean governance  | 19%       |

More than half the SCOs (54%) are used by EMFAF operations to foster efficient fishery control and enforcement including fighting illegal, unreported and unregulated fishing, as well as reliable data for knowledge-based decision making (SO 1.4). Furthermore, 49% of the SCOs are used for promoting sustainable aquaculture activities, especially strengthening aquaculture production competitiveness, while ensuring activities are environmentally sustainable in the long term (SO 2.1). 41% are promoting marketing, quality and added value of fishery and aquaculture products, as well as processing those products (SO 2.2). Only 5% of the SCOs are used for promoting a level playing field for fishery and aquaculture products from the outermost regions (SO 1.5), which is not available for all Member States.

### 6.3.3. Beneficiaries covered by SCO in 2021-2027

The table below illustrates the distribution of SCOs among the types of beneficiaries identified through the EMFAF survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 65 – Beneficiaries reimbursed through SCOs for EMFAF operations**

| Type of beneficiary                   | % of SCOs |
|---------------------------------------|-----------|
| Micro-enterprises                     | 41%       |
| NGO/Association                       | 41%       |
| SMEs                                  | 38%       |
| Public authority                      | 35%       |
| Natural person                        | 35%       |
| Research centre/ university           | 30%       |
| LAG – Local action group              | 30%       |
| Producer organisation                 | 24%       |
| Association of producer organisations | 24%       |
| Inter-branch organisation             | 22%       |

SCOs cover all types of EMFAF beneficiaries to some extent. The main ones are micro-enterprises and NGOs/Associations (41%), followed by SMEs (38%), large enterprises, public authorities and natural persons (35%). Research centres/universities and LAG are covered by 30% of mapped SCOs.

#### 6.3.4. Types of costs covered by SCOs in 2021-2027

The table below shows the distribution of SCOs among types of costs identified through the EMFAF survey. The total is more than 100% because each SCO can cover multiple costs.

**Table 66 – Types of costs covered by the SCOs**

| Type of costs                     | % of SCOs |
|-----------------------------------|-----------|
| All direct costs                  | 57%       |
| Indirect costs                    | 30%       |
| All costs of the operation        | 14%       |
| All direct costs other than staff | 5%        |

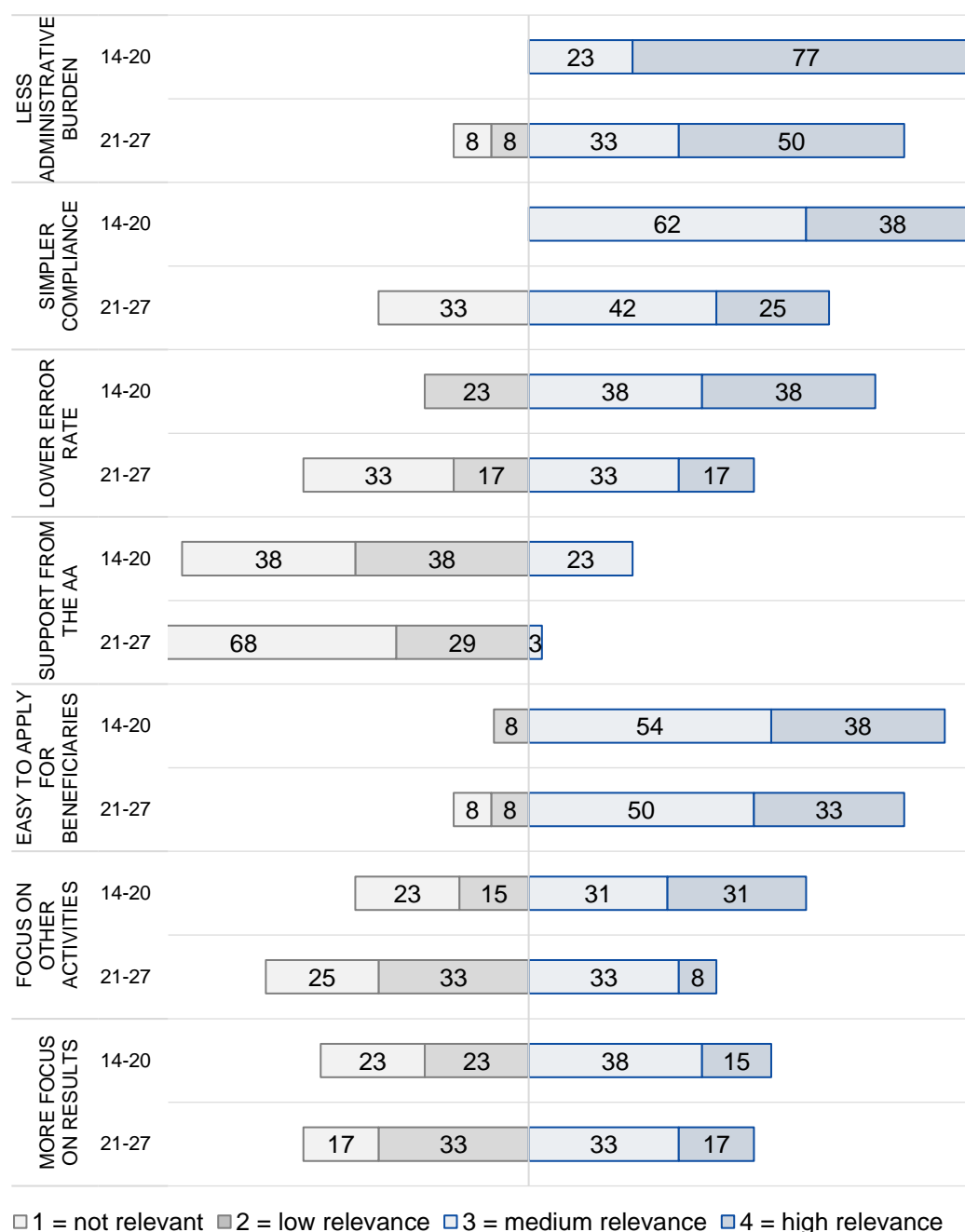
Direct costs are covered by 57% of the SCOs, followed by indirect costs (30%). A portion of SCOs (14%) cover all costs of the operation. Finally, around 5% of SCOs refer to the use of the off-the-shelf flat rate provided under Article 55(1) of the CPR while 5% cover all costs other than direct staff costs.

## 6.4. EMFF/EMFAF stakeholder perceptions of SCO

### 6.4.1. Advantages and challenges related to SCO

This section presents the qualitative inputs from respondent regarding the advantages of SCOs as well as issues encountered when developing them. It also includes feedback from respondents who did not use any SCO.

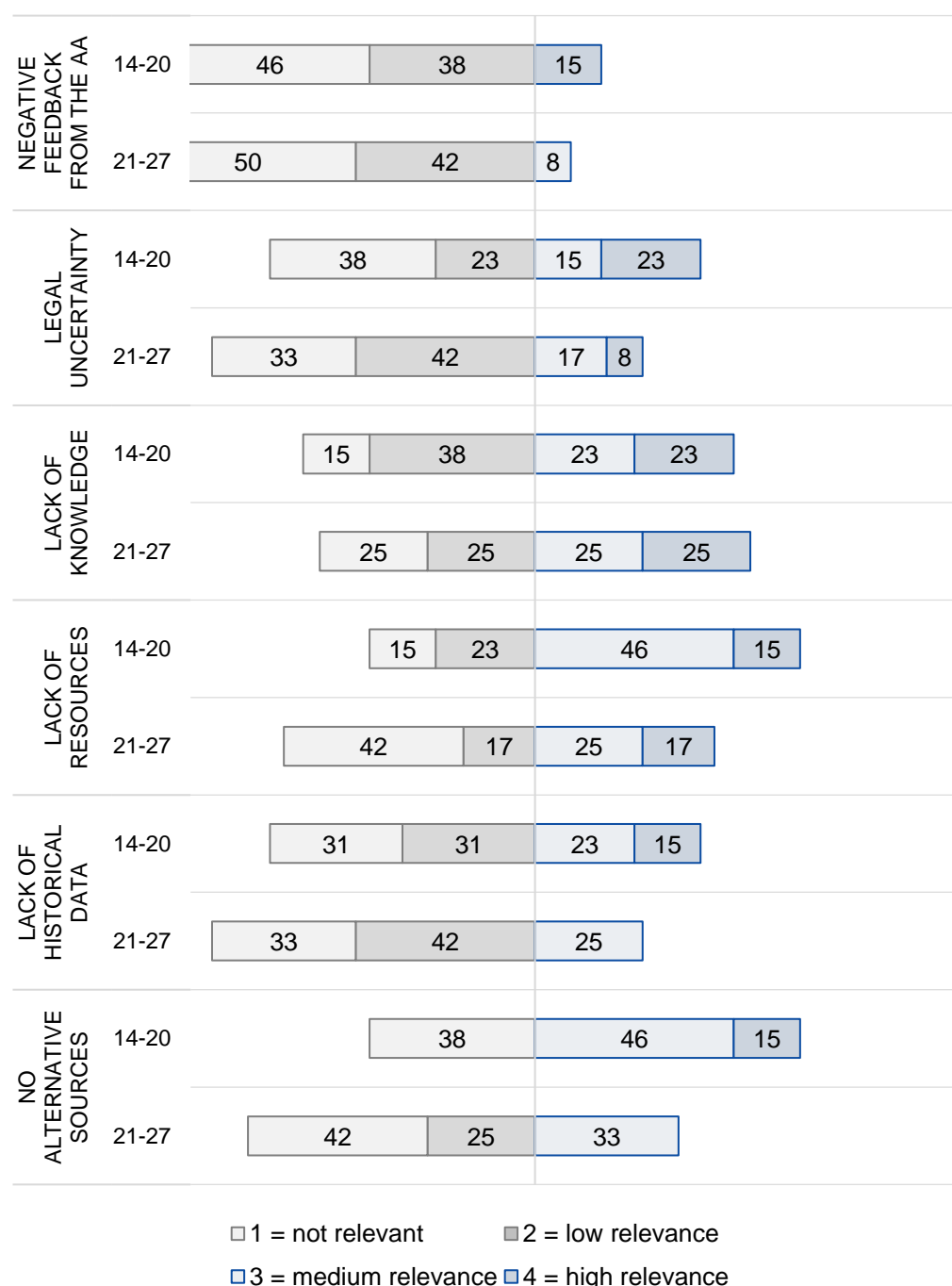
**Figure 34 – Advantages of SCO schemes for EMFF/EMFAF programme authorities (values in %)**



In both programming periods, the greatest advantages of SCOs are seen as less administrative burden, simpler compliance checks, and easier application processes for beneficiaries. However, unlike other funds, programme authorities perceived SCOs to be more effective in reducing administrative burden and simpler compliance during 2014–2020 compared to 2021–2027.

The survey also mapped issues encountered by programme authorities when developing SCOs, as seen in the figure below.

**Figure 35 - Challenges faced in developing SCOs for EMFF/EMFAF programme authorities (values in %)**



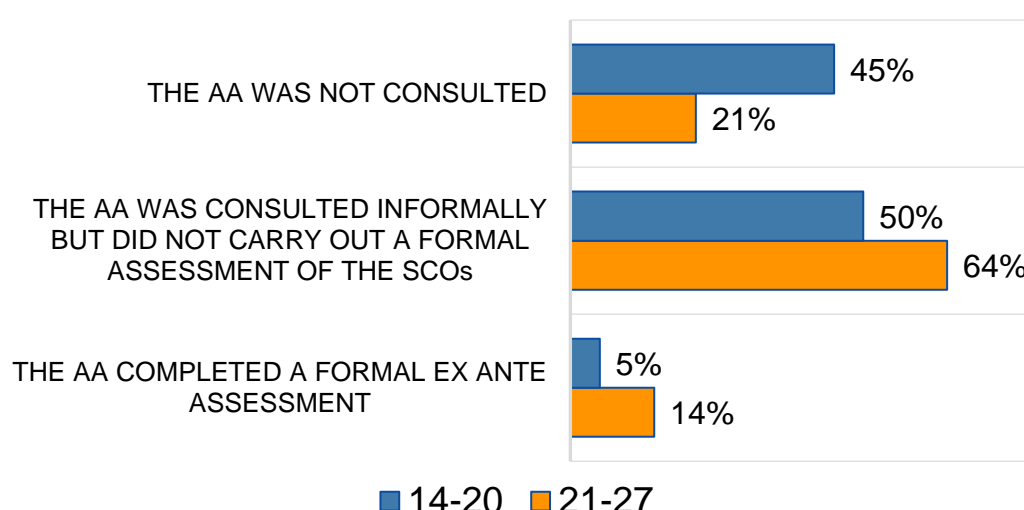
In 2014-2020, the most relevant issue for EMFF programme authorities were the lack of alternative sources, and the lack of resources while in 2021-2027 it is a lack of knowledge. All the issues were less problematic for programme authorities in the current programming period than in the previous one, proving that experience in 2014-2020 helped with SCOs in the current programming period. Audit authority involvement is not considered an issue for half the respondents in both cases.

Five programme authorities declared not using any SCO schemes under EMFF in 2014-2020, while only two did not in 2021-2027. The main reason is that SCOs are not suitable for their programme. This is followed by burdensomeness as well as awareness of the impact of miscalculating schemes.

## 6.4.2. Involvement of the audit authority in defining SCOs

The figure below presents the involvement of the audit authority in the definition of SCO schemes developed under EMFF/EMFAF.

**Figure 36 – Audit authority involvement in SCO definition under EMFF/EMFAF**

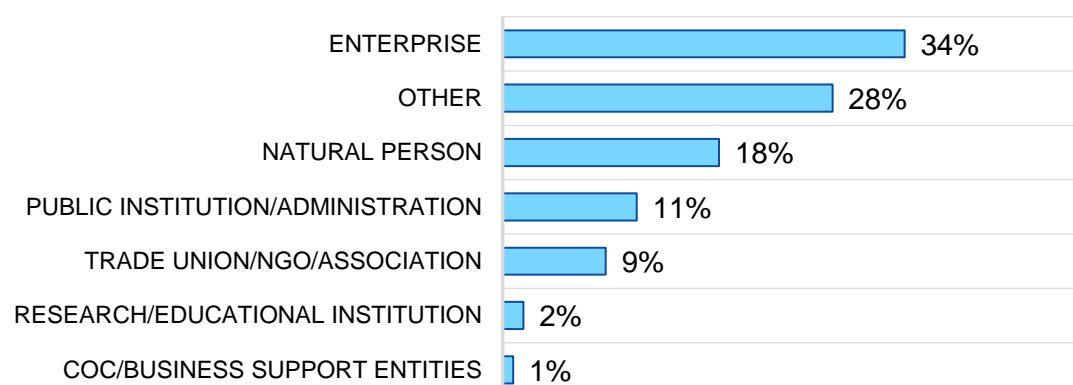


For almost all of the SCO schemes developed under EMFF in 2014-2020, the audit authority was either not consulted or consulted only informally (95%). There was a formal ex-ante assessment for only 5% of the schemes. Data from 2021-2027 shows a clear change in the involvement of the audit authority, which was consulted informally for more than half the SCO schemes developed under EMFAF (64%) and completed a formal ex-ante assessment for 14%.

## 6.4.3. Perception of beneficiaries

The survey of beneficiaries was conducted through July and August 2024 and resulted in 114 complete answers. The figure below shows the types of beneficiaries responding to the survey.

**Figure 37 – Types of EMFF/EMFAF beneficiaries responding to the survey**

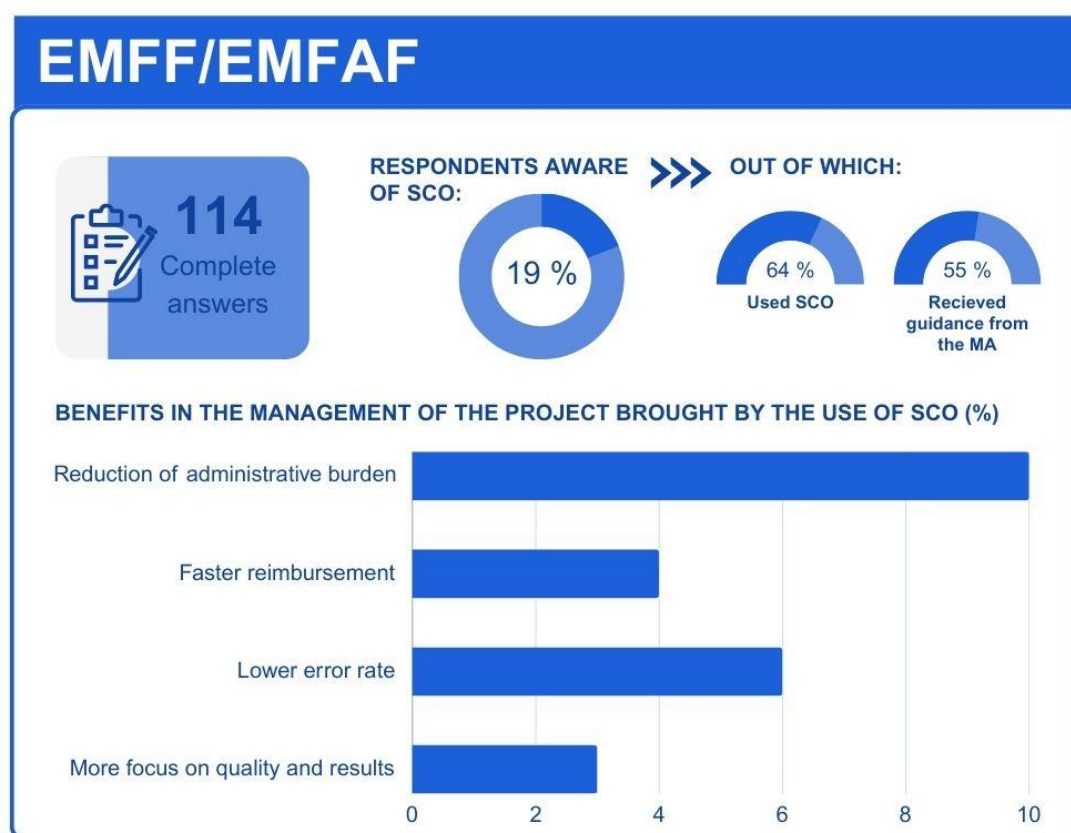


Around a third of respondents were enterprises benefitting from EMFF/EMFAF funding. 'Other' includes cooperatives and foundations.

The factsheet below presents survey data across both programming periods. Only 19% of respondents declared being aware of SCOs (there were no responses on FNLC). Of those, 64% used SCOs, while more than half (55%) received training, workshops, or guidelines from the managing authority explaining SCOs. Comparing the results from each programming period, respondents aware of SCOs increased from 11% to 28% between 2014-2020 and 2021-2027.

The great majority of EMFF/EMFAF beneficiaries who completed the survey and used SCOs declared these brought benefits for project management (86%). For respondents, less administrative burden is the main benefit (10%), in line with programme authority inputs presented in the previous sections. In addition, 6% of respondents agreed that SCOs reduce the error rate. When comparing each programming period, reduced administrative burden remains the greatest advantage.

**Figure 38 – Survey data concerning EMFF/EMFAF beneficiaries**



The responses to the open-ended questions on lessons learnt and recommendations to encourage the wider adoption of SCOs highlights a strong appreciation for SCOs among respondents who reported using them. Most noted that SCOs significantly simplify administrative processes and facilitate access to funds, particularly for smaller entities. Specific recommendations from beneficiaries to promote the use of SCOs included the need for additional training and clearer guidelines from programme authorities.

The final section of the survey invited beneficiaries to share their views on barriers and obstacles limiting access to CPR Funds. The few EMFF/EMFAF beneficiaries who provided feedback consistently highlighted bureaucracy related to EMFF/EMFAF as the primary barrier.

## 7. DG REGIO Funds - ERDF/CF/JTF

### 7.1. Use of simplification measures in ERDF

#### 7.1.1. Key findings

The table below summarises the uptake of simplification measures covered by this study across two programming periods.

The first column shows the use of simplification measures at both lower and upper levels during the 2014–2020 period. The second column presents the coverage of measures mapped by this study for the 2021–2027 programming period, combining schemes ‘in use’ and ‘programmed.’

For both programming periods and both levels, the table displays uptake as a share of the total ERDF budget. It also shows uptake from the total ERDF budget, excluding the portion covered by financial instruments, for which SCOs and FNLC are not applicable.

**Table 67 – Simplification measures use in ERDF**

|                         |  | 2014-2020 | 2021-2027   |
|-------------------------|--|-----------|-------------|
|                         |  | SCOs      | SCOs + FNLC |
| Coverage at lower level | Total budget                                 | 6.7%      | 11.5%       |
|                         | Total budget excluding financial instruments | 7.7%      | 12.2%       |
| Coverage at upper level | Total budget                                 | -         | 4.2%        |
|                         | Total budget excluding financial instruments | -         | 4.5%        |

#### 7.1.2. Use of SCOs in 2014-2020

The table below covers SCO use under ERDF in 2014-2020.

The first row shows the budget covered by SCOs by the end of the programming period. The next row details the amount covered by operations below EUR 100 000 (mandatory use of SCO under Article 67(2)(a) of Regulation (EU) 1303/2013).

The percentage is based on programme budgets covered by SCOs identified through the study. For more detail, refer to the first and second steps of the process outlined in Chapter 1.4. The amounts in the last column are estimates of the potential budget covered at EU level including both EU and national co-financing. This applies the percentage from the first column to the entire ERDF budget including national co-financing at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4).

**Table 68 – SCO use in ERDF in 2014-2020**

|                     | (1) % of OP budget covered | (2) Estimated OP budget covered at EU level (EUR bn) |
|---------------------|----------------------------|--|
| All SCOs            | 6.7%                       | 20.501   |
| Of which SCOs <100k | 0.8%                       | 2.403  |

SCOs under ERDF account for almost EUR 20.5 billion, or approximately 7% of the total ERDF budget. Based on data provided by respondents, some EUR 2.4 billion are for operations costing less than EUR 100 000.

The table below shows SCO use at Member State level. The first column shows the percentage of total ERDF budget covered at the lower level, while the second column details the portion covered by small operations, showing the impact of SCOs for operations costing less than EUR 100 000, where the use of SCO is mandatory under Article 67(2)(a) of Regulation (EU) 1303/2013.

Member States that did not complete the questionnaire are marked as 'No reply,' while those that provided only partial responses (e.g., no amounts) or submitted inconsistent responses which did not pass the quality check (see section 1.3) are marked as 'Partial.'

**Table 69 –SCO used in ERDF in 2014-2020 by Member State**

| Member State | SCOs     | Of which SCOs <100k |
|--------------|----------|---------------------|
| AT           | 6.6%     | 0.1%                |
| BE           | 15.7%    | 0.0%                |
| BG           | 1.6%     | 1.1%                |
| CY           | 7.4%     | 0.0%                |
| CZ           | 14.8%    | 0.0%                |
| DE           | 17.1%    | 0.4%                |
| DK           | 33.8%    | 0.7%                |
| EE           | 2.8%     | 1.7%                |
| EL           | 1.6%     | 0.0%                |
| ES           | 4.7%     | 0.3%                |
| FI           | 9.0%     | 0.9%                |
| FR           | 6.1%     | 1.8%                |
| HR           | 6.6%     | 0.0%                |
| HU           | 4.8%     | 0.9%                |
| IE           | 1.0%     | 0.0%                |
| IT           | 7.0%     | 0.3%                |
| LT           | 9.5%     | 3.5%                |
| LU           | No reply | No reply            |
| LV           | 8.9%     | 2.6%                |
| MT           | 1.5%     | 0.2%                |
| NL           | 16.7%    | 0.0%                |
| PL           | 7.1%     | 1.4%                |

|    |          |          |
|----|----------|----------|
| PT | 1.4%     | 0.0%     |
| RO | 1.5%     | 0.0%     |
| SE | 19.2%    | 0.6%     |
| SI | 33.5%    | 3.2%     |
| SK | 0.0%     | 0.0%     |
| UK | No reply | No reply |
| TC | 9.8%     | 0.9%     |

At the end of the 2014-2020 period, two Member States covered more than 30% of their ERDF budget using SCOs: Denmark and Slovenia. On the other hand Malta, Portugal, Romania and Slovakia used 1.5% or less of the total budget for SCOs.

### 7.1.2.1. Types of SCO used in 2014-2020

The table below illustrates the use of flat rate, unit cost and lump sum SCOs across Member States as the share of total programme budget covered by each type of SCO.

**Table 70 – ERDF Types of SCO in 2014-2020<sup>23</sup>**

| Member State | Budget covered (%) |           |          |
|--------------|--------------------|-----------|----------|
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | 2.7%               | 3.9%      | 0.0%     |
| BE           | 1.8%               | 13.9%     | 0.0%     |
| BG           | 0.1%               | 0.4%      | 1.1%     |
| CY           | 1.1%               | 6.3%      | 0.0%     |
| CZ           | 14.8%              | 0.0%      | 0.0%     |
| DE           | 3.2%               | 13.9%     | 0.0%     |
| DK           | 21.8%              | 12.0%     | 0.0%     |
| EE           | 1.1%               | 1.4%      | 0.2%     |
| EL           | 1.0%               | 0.6%      | 0.0%     |
| ES           | 2.9%               | 1.8%      | 0.1%     |
| FI           | 8.5%               | 0.0%      | 0.5%     |
| FR           | 4.8%               | 1.2%      | 0.0%     |
| HR           | 1.1%               | 5.5%      | 0.0%     |
| HU           | 4.8%               | 0.1%      | 0.0%     |
| IE           | 1.0%               | 0.0%      | 0.0%     |
| IT           | 1.0%               | 5.8%      | 0.3%     |
| LT           | 2.8%               | 4.8%      | 2.0%     |
| LU           | No reply           | No reply  | No reply |
| LV           | 0.3%               | 2.8%      | 5.8%     |
| MT           | 1.0%               | 0.2%      | 0.2%     |

<sup>23</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

|               |             |             |             |
|---------------|-------------|-------------|-------------|
| NL            | 15.1%       | 1.6%        | 0.0%        |
| PL            | 4.1%        | 1.8%        | 1.2%        |
| PT            | 1.4%        | 0.0%        | 0.0%        |
| RO            | 1.5%        | 0.0%        | 0.0%        |
| SE            | 18.6%       | 0.0%        | 0.6%        |
| SI            | 4.8%        | 25.8%       | 2.9%        |
| SK            | 0.0%        | 0.0%        | 0.0%        |
| UK            | No reply    | No reply    | No reply    |
| TC            | 6.7%        | 2.8%        | 0.3%        |
| <b>TOTAL*</b> | <b>3.6%</b> | <b>2.5%</b> | <b>0.5%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

Among the Member States using SCOs, flat rates are the most commonly used. In 15 of the 26 Member States that use SCOs, flat rates predominate. At EU level (last row of the table), flat rates cover the largest portion of the budget (3.6%), followed by unit costs (2.5%). Lump sums have low budget coverage (0.5% at EU level).

#### 7.1.2.2. Thematic objectives covered by SCOs in 2014-2020

The table below shows the distribution of SCOs across Thematic Objectives identified through the ERDF survey. The percentages total more than 100% because each SCO can cover multiple Thematic Objectives.

**Table 71 – Coverage of ERDF Thematic Objectives by SCO**

| Thematic objective  | % of SCOs |
|---|-----------|
| TO 1: Strengthening research, technological development and innovation                        | 74%       |
| TO 2: Enhancing access to and use and quality of information and communication technologies   | 15%       |
| TO 3: Enhancing the competitiveness of small and medium-sized enterprises                     | 42%       |
| TO 4: Supporting the shift towards a low-carbon economy;                                      | 30%       |
| TO 5: Promoting climate change adaptation, risk prevention and management                     | 9%        |
| TO 6: Preserving and protecting the environment and promoting resource efficiency             | 33%       |
| TO 7: Promoting sustainable transport and removing bottlenecks in key network infrastructures | 14%       |
| TO 8: Promoting sustainable and quality employment and supporting labour mobility             | 10%       |
| TO 9: Promoting social inclusion, combating poverty and any discrimination                    | 10%       |
| TO 10: Investing in education and training for skills and lifelong learning                   | 8%        |
| TO 11: Enhancing the capability of public authorities and efficient public administration     | 18%       |

Nearly three quarters of SCOs (74%) are used for ERDF operations strengthening research, technological development and innovation (TO 1). Respectively 42% and 33% of the SCOs are used for enhancing the competitiveness of SMEs through TO 3 as well as preserving and protecting the environment and promoting resource efficiency through

TO 6. The least covered is TO 10 related to investing in education, training and lifelong learning (8%).

### 7.1.2.3. Beneficiaries covered by SCOs in 2014-2020

The table below illustrates the distribution of SCOs among the types of beneficiaries identified through the ERDF survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 72 – Beneficiaries reimbursed through SCOs for ERDF operations**

| Type of beneficiary  | % of SCOs |
|----------------------|-----------|
| SMEs                 | 60%       |
| Universities         | 50%       |
| Associations/ NGOs   | 46%       |
| Municipalities       | 41%       |
| Regional authorities | 40%       |
| Micro-enterprises    | 37%       |
| National authorities | 37%       |
| Chambers of commerce | 29%       |
| Large enterprises    | 26%       |
| Health institutions  | 19%       |
| Households           | 2%        |

The majority of SCOs (60%) are used for SMEs. Other major types of beneficiaries reimbursed through SCOs are universities (50%), associations and NGOs (46%), as well as municipalities (41%).

### 7.1.2.4. Types of costs covered by SCOs in 2014-2020

The table below shows the distribution of SCOs among types of costs identified through the ERDF survey. The total is more than 100% because each SCO can cover multiple costs.

**Table 73 – Types of costs covered by the SCOs**

| Type of cost                              | % of SCOs |
|---|-----------|
| Indirect costs                            | 48%       |
| Direct costs                              | 24%       |
| All costs of the operation                | 18%       |
| Only staff costs                          | 7%        |
| All eligible costs other than staff costs | 6%        |

Nearly half the SCOs covered indirect costs of the operation (48%) while 24% covered all direct costs of the operation and 18% covered all costs of the operation.

### 7.1.3. Use of SCOs in 2021-2027

The table below covers SCO use within ERDF in 2021-2027.

The first four rows present the SCOs mapped at the lower level. The first row shows the coverage of SCOs mapped in this study, aggregating 'in use' and 'programmed' schemes. The subsequent three rows provide a breakdown of the total already covered by SCOs, the amount covered by operations below EUR 200 000, and the portion already reimbursed to beneficiaries using SCOs.

The fifth and sixth rows focus on SCOs at the upper level, approved under Article 94(2) of the CPR. The fifth row presents the overall coverage, aggregating schemes already submitted to the Commission and those programmed. The sixth row details the amount covered by schemes that have already been approved by the Commission.

The percentage is the share covered by SCOs of the budgets of programmes that participated in the survey. For more detail, refer to the first and second steps of the process outlined in Chapter 1.4. The amounts in the last column are estimates of the potential budget covered at EU level including EU and national co-financing. This applies the percentage from the first column to the entire ERDF budget including co-financing at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4). The only exception is for amounts related to schemes in use approved under Article 94(2), which considers only amounts declared by the survey respondents.

**Table 74 – SCOs mapped in ERDF in 2021-2027**

|                               |   | (1) % of programme budget covered | (2) Estimated programme budget covered at EU level (EUR bn) |
|-------------------------------|---|-----------------------------------|---|
| Lower level                   | SCOs mapped (in use + programmed)                   | 11.5%                             | 37.479  |
|                               | - of which: SCOs in use                             | 9.0%                              | 29.347  |
|                               | - of which: SCOs mapped <200k (in use + programmed) | 1.4%                              | 4.575   |
|                               | - of which already reimbursed to beneficiaries      | 0.2%                              | 0.740   |
| Upper level Article 94(2) CPR | SCOs mapped (in use + programmed)                   | 3.5%                              | 7.407   |
|                               | SCOs in use   | 3.1%                              | 5.988   |

SCO use under ERDF accounts for over EUR 37.5 billion, or 11.5% of the ERDF budget. Based on data from respondents, a significant portion of the expected impact at the end of the programming period is linked to schemes already in use (over EUR 29 billion). Expenditure already reimbursed by SCOs (0.2%, or EUR 700 million) seems to confirm some delay in the implementation of 2021-2027 funds. The benefits of SCOs from reduced costs and administrative burden will be felt as financial absorption of the programmes progresses. For small operations, approximately EUR 4.5 billion are attributed to operations costing less than EUR 200 000 each.

The table below shows SCO use per Member State. The first column shows the share of ERDF budget covered at the lower level, while the second column details the portion of lower level SCOs covered by operations under EUR 200 000, providing an estimate of the impact of mandatory use of SCOs for small operations under Article 53(2) of the

CPR. The third column displays the percentage of the total budget covered by schemes approved under Article 94(2) of the CPR, while the fourth column details the portion of upper level SCOs covered by small operations.

For some Member States (in blue in the table), the coverage for 2021-2027 in the column 'SCOs planned' is derived from 2014-2020. For more details see chapters 1.3 and 1.4.

**Table 75 – SCO mapped in ERDF in 2021-2027 by Member State**

| Member State | Lower level |                     | Upper level - Art.94(2) |
|--------------|-------------|---------------------|-------------------------|
|              | SCOs mapped | Of which SCOs <200k | SCOs mapped             |
| AT           | partial     | partial             | partial                 |
| BE           | 14.8%       | 0.0%                | 9.7%                    |
| BG           | 12.4%       | 0.2%                | 0.0%                    |
| CY           | 25.4%       | 0.0%                | 1.1%                    |
| CZ           | 18.8%       | 4.5%                | 11.4%                   |
| DE           | 17.1%       | 2.4%                | 0.7%                    |
| DK           | 32.8%       | 0.1%                | 0.0%                    |
| EE           | partial     | partial             | partial                 |
| EL           | 4.4%        | 1.1%                | 0.0%                    |
| ES           | 4.7%        | 1.5%                | 1.0%                    |
| FI           | 38.9%       | 20.0%               | 0.0%                    |
| FR           | 19.7%       | 0.9%                | 11.2%                   |
| HR           | 6.1%        | 0.0%                | 0.0%                    |
| HU           | 6.8%        | 0.2%                | 0.0%                    |
| IE           | 4.9%        | 0.2%                | 0.1%                    |
| IT           | 10.1%       | 1.5%                | 1.1%                    |
| LT           | 26.1%       | 0.0%                | 26.1%                   |
| LU           | No reply    | No reply            | No reply                |
| LV           | partial     | partial             | partial                 |
| MT           | 10.7%       | 0.2%                | 4.0%                    |
| NL           | 19.8%       | 0.0%                | 19.4%                   |
| PL           | 7.2%        | 2.1%                | 2.7%                    |
| PT           | 10.1%       | 0.2%                | 9.2%                    |
| RO           | 3.7%        | 0.5%                | 0.02%                   |
| SE           | 54.9%       | 3.0%                | 0.0%                    |
| SI           | 33.5%       | 13.9%               | 0.0%                    |
| SK           | 11.4%       | 0.0%                | 0.0%                    |
| TC           | 23.9%       | 1.6%                | 3.9%                    |

By the end of the 2021-2027 period, four Member States are expected to cover more than 30% of their ERDF budget using SCOs: Denmark, Finland, Sweden and Slovenia. Sweden is the only Member State expected to cover more than 50%. However, seven Member States may cover less than 10%: Greece, Spain, Croatia, Hungary, Ireland, Poland and Romania.

### 7.1.3.1. Types of SCO mapped in 2021-2027

The table below illustrates the use of flat rate, unit cost and lump sum SCOs with the share of total programme budget expected to be covered by each type of SCO.

**Table 76 – ERDF Type of SCO at the lower level in 2021-2027<sup>24</sup>**

| Member State | Lower level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | partial            | partial   | partial  |
| BE           | 4.4%               | 10.4%     | 0.0%     |
| BG           | 9.7%               | 0.3%      | 2.4%     |
| CY           | 3.9%               | 21.5%     | 0.0%     |
| CZ           | 5.4%               | 10.2%     | 3.1%     |
| DE           | 3.2%               | 13.9%     | 0.0%     |
| DK           | 18.4%              | 14.5%     | 0.0%     |
| EE           | partial            | partial   | partial  |
| EL           | 4.4%               | 0.0%      | 0.0%     |
| ES           | 2.9%               | 1.8%      | 0.1%     |
| FI           | 26.3%              | 1.0%      | 11.5%    |
| FR           | 8.2%               | 11.4%     | 0.1%     |
| HR           | 6.1%               | 0.0%      | 0.0%     |
| HU           | 4.8%               | 2.0%      | 0.0%     |
| IE           | 4.6%               | 0.3%      | 0.0%     |
| IT           | 1.4%               | 8.3%      | 0.3%     |
| LT           | 0.3%               | 25.7%     | 0.0%     |
| LU           | No reply           | No reply  | No reply |
| LV           | partial            | partial   | partial  |
| MT           | 6.6%               | 3.8%      | 0.2%     |
| NL           | 0.6%               | 19.3%     | 0.0%     |
| PL           | 2.6%               | 3.1%      | 1.5%     |
| PT           | 0.9%               | 9.2%      | 0.0%     |
| RO           | 3.7%               | 0.0%      | 0.0%     |
| SE           | 26.1%              | 25.9%     | 3.0%     |
| SI           | 4.8%               | 25.8%     | 2.9%     |
| SK           | 1.2%               | 10.3%     | 0.0%     |

<sup>24</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

|               |             |             |             |
|---------------|-------------|-------------|-------------|
| TC            | 13.7%       | 8.9%        | 1.3%        |
| <b>TOTAL*</b> | <b>4.1%</b> | <b>6.6%</b> | <b>0.8%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

Member States using SCOs have two predominant approaches. In half of them, flat rates are the most frequently used SCOs, the other half mostly uses unit costs. However, at EU level, unit costs are more significant, covering approximately 6.6% of the ERDF budget.

The significance of unit costs is underscored in the table below, which details the types of SCO approved or programmed to be approved under Article 94(2) of the CPR.

**Table 77 – ERDF Type of SCO at the upper level in 2021-2027<sup>25</sup>**

| Member State | Upper level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | partial            | partial   | partial  |
| BE           | 1.2%               | 8.5%      | 0.0%     |
| BG           | 0.0%               | 0.0%      | 0.0%     |
| CY           | 1.1%               | 0.0%      | 0.0%     |
| CZ           | 0.0%               | 9.5%      | 1.9%     |
| DE           | 0.0%               | 0.7%      | 0.0%     |
| DK           | 0.0%               | 0.0%      | 0.0%     |
| EE           | partial            | partial   | partial  |
| EL           | 0.0%               | 0.0%      | 0.0%     |
| ES           | 0.0%               | 1.0%      | 0.0%     |
| FI           | 0.0%               | 0.0%      | 0.0%     |
| FR           | 0.01%              | 11.1%     | 0.1%     |
| HR           | 0.0%               | 0.0%      | 0.0%     |
| HU           | 0.0%               | 0.0%      | 0.0%     |
| IE           | 0.0%               | 0.1%      | 0.0%     |
| IT           | 0.0%               | 0.8%      | 0.3%     |
| LT           | 0.3%               | 25.7%     | 0.0%     |
| LU           | No reply           | No reply  | No reply |
| LV           | partial            | partial   | partial  |
| MT           | 0.0%               | 3.8%      | 0.2%     |
| NL           | 0.1%               | 19.3%     | 0.0%     |
| PL           | 0.0%               | 2.4%      | 0.3%     |
| PT           | 0.0%               | 9.2%      | 0.0%     |
| RO           | 0.0%               | 0.02%     | 0.0%     |
| SE           | 0.0%               | 0.0%      | 0.0%     |
| SI           | 0.0%               | 0.0%      | 0.0%     |

<sup>25</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

|               |             |             |             |
|---------------|-------------|-------------|-------------|
| SK            | 0.0%        | 0.0%        | 0.0%        |
| TC            | 0.0%        | 3.8%        | 0.1%        |
| <b>TOTAL*</b> | <b>0.0%</b> | <b>3.3%</b> | <b>0.2%</b> |

\* The 'total' row displays the percentage of the budget covered by SCO at the EU level.

The 2021-2027 CPR Regulation allows different approaches at lower and upper levels for SCOs. For instance, SCOs approved under Article 94 of the CPR can be used at the upper level, with a different type of SCO or even actual costs used at the lower level.

Survey data highlights that all Member State designed SCOs adopted under Article 94 of the CPR that have also been implemented at the lower level. The table below focuses on the lower level and highlights, for each Member State, the 'weight' of schemes approved under Article 94 of the CPR in the financial flow to beneficiaries. The table shows the budget share covered by SCOs for beneficiaries, distinguishing between those exclusively for the lower level (Article 53 of the CPR) and those also used for payment requests to the Commission (Article 94 of the CPR).

As an example, in Belgium 14.8% of the ERDF budget is covered by lower level SCOs, of which 5.1% are established through Article 53 of the CPR and the remaining 9.7% through Article 94(2) of the CPR.

**Table 78 – ERDF use of SCO at lower level under Article 53 vs Article 94 CPR**

| Member State | Lower level                                |                            |                            |
|--------------|--|----------------------------|----------------------------|
|              | Total SCO planned<br>(Article 53 + 94 CPR) | Of which Article 53<br>CPR | Of which Article 94<br>CPR |
| AT           | partial                                    | partial                    | partial                    |
| BE           | 14.8%                                      | 5.1%                       | 9.7%                       |
| BG           | 12.4%                                      | 12.4%                      | 0.0%                       |
| CY           | 25.4%                                      | 24.3%                      | 1.1%                       |
| CZ           | 18.8%                                      | 7.4%                       | 11.4%                      |
| DE           | 17.1%                                      | 16.2%                      | 0.9%                       |
| DK           | 32.8%                                      | 32.8%                      | 0.0%                       |
| EE           | partial                                    | partial                    | partial                    |
| EL           | 4.4%                                       | 4.4%                       | 0.0%                       |
| ES           | 4.7%                                       | 3.7%                       | 1.1%                       |
| FI           | 38.9%                                      | 38.9%                      | 0.0%                       |
| FR           | 19.7%                                      | 8.5%                       | 11.2%                      |
| HR           | 6.1%                                       | 6.1%                       | 0.0%                       |
| HU           | 6.8%                                       | 6.8%                       | 0.0%                       |
| IE           | 4.9%                                       | 4.8%                       | 0.1%                       |
| IT           | 10.1%                                      | 9.0%                       | 1.1%                       |
| LT           | 26.1%                                      | 0.0%                       | 26.1%                      |
| LU           | No reply                                   | No reply                   | No reply                   |
| LV           | partial                                    | partial                    | partial                    |
| MT           | 10.7%                                      | 6.7%                       | 4.0%                       |
| NL           | 19.8%                                      | 0.4%                       | 19.4%                      |
| PL           | 7.2%                                       | 4.6%                       | 2.7%                       |
| PT           | 10.1%                                      | 0.9%                       | 9.2%                       |

|    |       |       |      |
|----|-------|-------|------|
| RO | 3.7%  | 3.7%  | 0.0% |
| SE | 54.9% | 54.9% | 0.0% |
| SI | 33.5% | 33.5% | 0.0% |
| SK | 11.4% | 11.4% | 0.0% |
| TC | 23.9% | 20.0% | 3.9% |

### 7.1.3.2. Specific Objectives covered by SCOs in 2021-2027

The table below shows the distribution of SCOs among the Specific Objectives identified through the ERDF survey. The percentages total more than 100% because each SCO can cover multiple Specific Objectives.

**Table 79 – Coverage of ERDF Specific Objectives by the SCOs**

| Specific Objective  | % of SCOs |
|---|-----------|
| SO 1.1: Enhancing research and innovation                 | 52%       |
| SO 1.2: Reaping the benefits of digitisation              | 23%       |
| SO 1.3: Growth and competitiveness of SMEs                | 30%       |
| SO 1.4: Skills for smart specialisation and transition    | 17%       |
| SO 1.5: Digital connectivity                              | 4%        |
| SO 2.1: Energy efficiency                                 | 25%       |
| SO 2.2: Renewable energy                                  | 21%       |
| SO 2.3: Smart energy systems                              | 14%       |
| SO 2.4: Climate change adaptation                         | 31%       |
| SO 2.5: Sustainable water                                 | 7%        |
| SO 2.6: Circular economy                                  | 27%       |
| SO 2.7: Nature protection and biodiversity                | 25%       |
| SO 2.8: Sustainable urban mobility                        | 8%        |
| SO 3.1: Sustainable TEN-T                                 | 6%        |
| SO 3.2: Sustainable transport                             | 10%       |
| SO 4.1: Labour market infrastructure                      | 7%        |
| SO 4.2: Education and training infrastructure             | 15%       |
| SO 4.3: Integration of marginalised communities           | 5%        |
| SO 4.4: Integration of third country nationals            | 2%        |
| SO 4.5: Access to health care                             | 13%       |
| SO 4.6: Culture and sustainable tourism                   | 24%       |
| SO 5.1: Integrated development in urban areas             | 9%        |
| SO 5.2: Integrated development in rural and coastal areas | 7%        |
| Technical assistance                                      | 10%       |

About half the SCOs (52%) are used for ERDF operations regarding research and innovation (SO 1.1). While 30% and 27% respectively are used for operations concerning growth and competitiveness of SMEs (SO 1.3) and the circular economy (SO 2.6). The least covered are SO 4.4 for the integration of third country nationals (2%).

### 7.1.3.3. Beneficiaries covered by SCOs in 2021-2027

The table below illustrates the distribution of SCOs among types of beneficiaries identified through the ERDF survey. The percentages total more than 100% because each SCO can cover multiple beneficiaries.

**Table 80 – Beneficiaries reimbursed through SCOs for ERDF operations**

| Type of beneficiary               | % of SCOs |
|-----------------------------------|-----------|
| SMEs                              | 55%       |
| Municipalities/ Local authorities | 52%       |
| Research centres/ Universities    | 51%       |
| Regional authorities              | 47%       |
| NGOs/Associations                 | 46%       |
| Micro-enterprises                 | 44%       |
| National authorities              | 42%       |
| Chamber of commerce               | 35 %      |
| Large enterprises                 | 31%       |
| Health institutions               | 30%       |
| Households                        | 10%       |

More than half the SCOs are for ERDF operations implemented by SMEs (55%), municipalities/local authorities (52%), as well as research centres/universities (51%). Other types being significantly reimbursed through SCOs are regional authorities (47%) and NGOs/associations (46%).

### 7.1.3.4. Types of costs covered by SCOs in 2021-2027

The table below shows the distribution of SCOs among the types of costs identified through the ERDF survey. The total is more than 100% because each SCO can cover multiple costs.

**Table 81 – Types of costs covered by the SCOs**

| Type of cost                              | % of SCOs |
|---|-----------|
| Indirect costs                            | 38%       |
| Direct costs                              | 24%       |
| All costs of the operation                | 16%       |
| All eligible costs other than staff costs | 10%       |
| Only direct staff costs                   | 6%        |
| Travel/accommodation                      | 5%        |
| Preparation costs                         | 1%        |

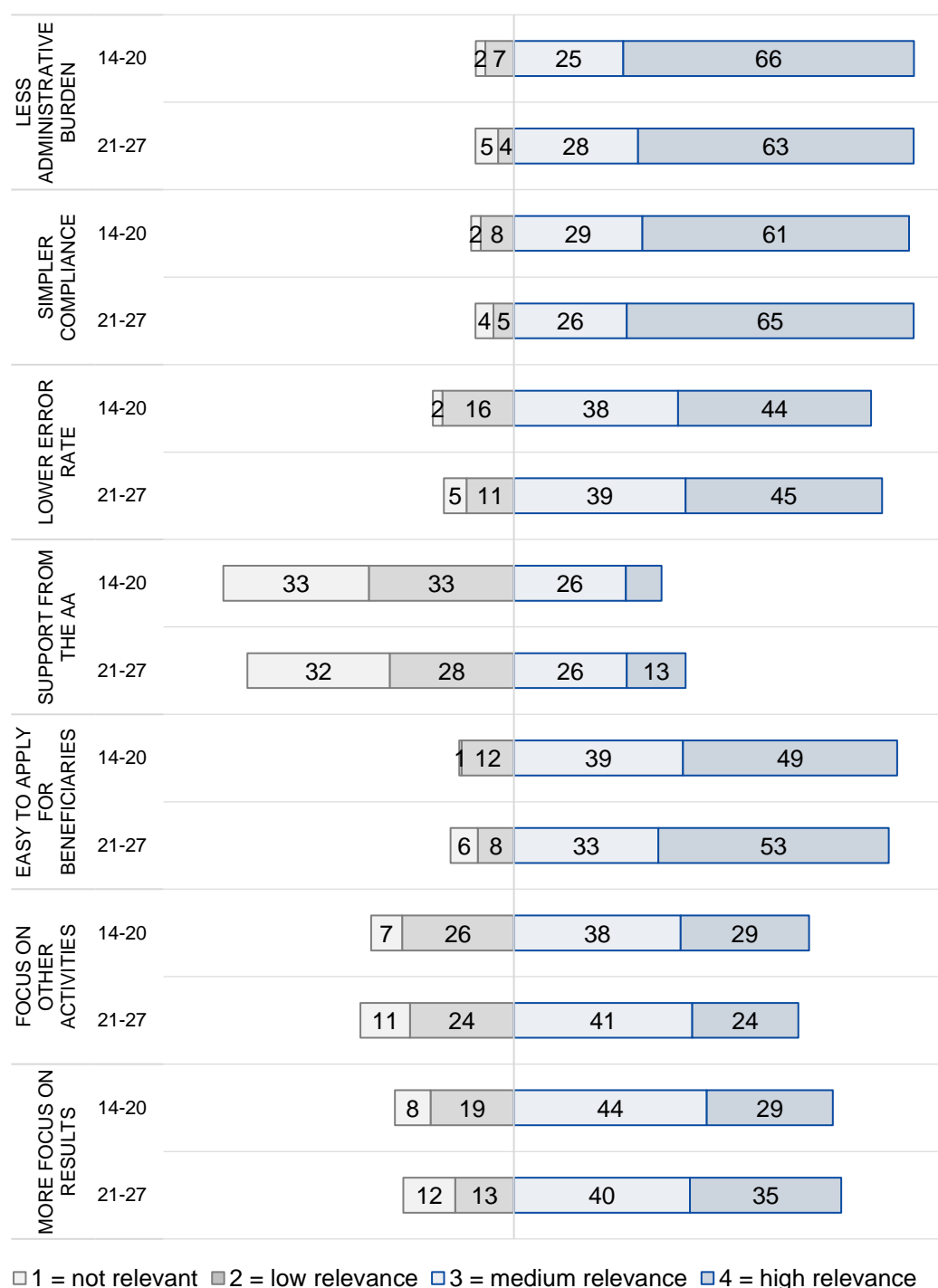
Over a third of the SCO schemes mapped (38%) cover indirect costs, while 24% cover direct costs. Schemes covering all operational costs account for 16%. Additionally, 10% of the schemes mapped under ERDF involve the use of the schemes covering all eligible costs other than the staff costs. Finally, respectively 6% and 5% of the schemes mapped cover direct staff costs (only) and travel/accommodation costs.

#### 7.1.4. ERDF programme authorities' perceptions of SCOs

##### 7.1.4.1. Advantages and challenges related to SCOs

This section presents qualitative inputs from respondents regarding the advantages of SCO schemes as well as issues encountered when developing them. It also includes the feedback of respondents who did not use any SCO.

**Figure 39 - Advantages of SCO schemes for ERDF programme authorities (values in %)**

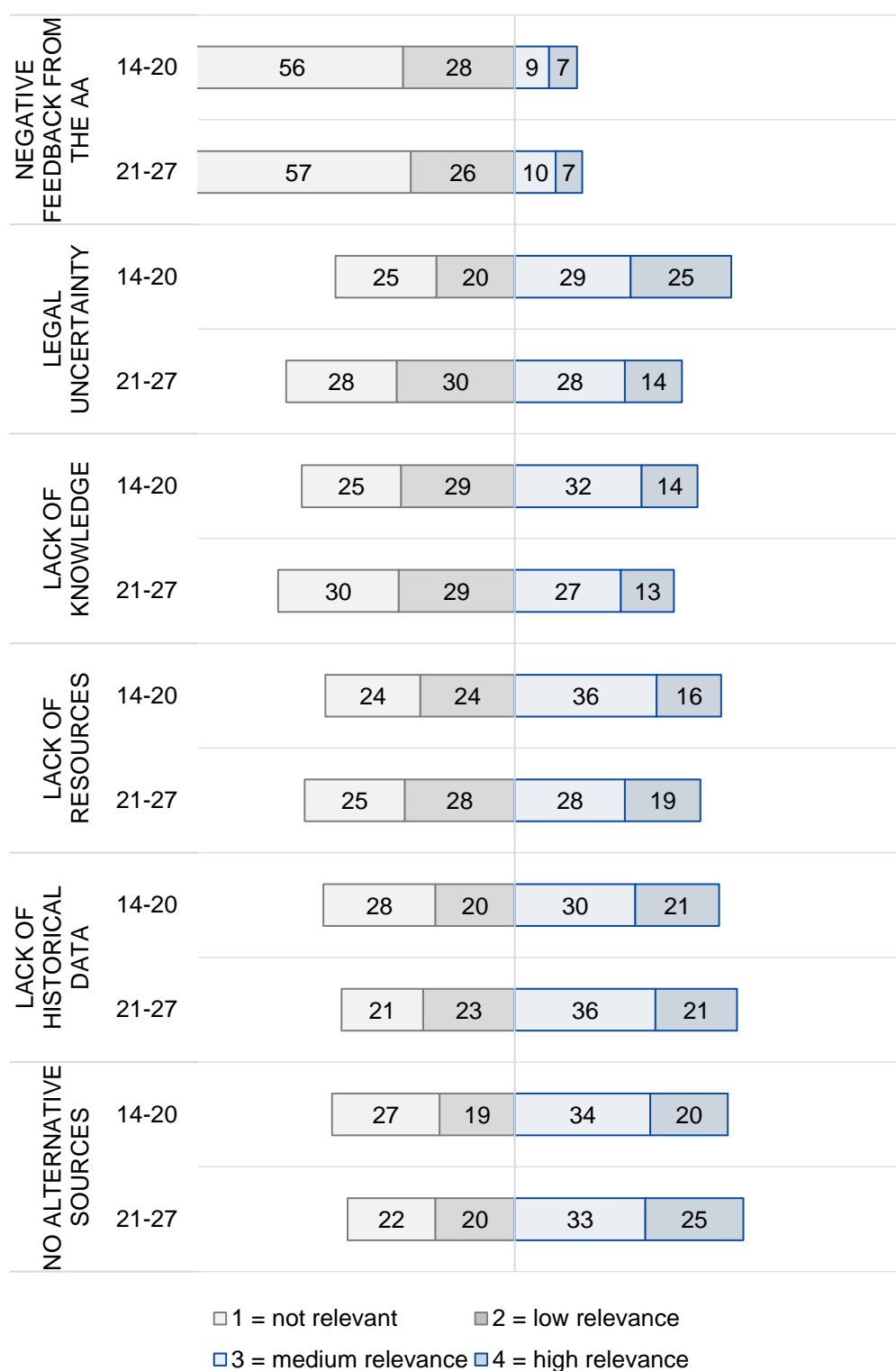


Over 60% of respondents perceive reduced administrative burden and simpler compliance as highly relevant advantages. This is consistent across both programming periods, with a slight decrease for reduced administrative burden (*highly relevant* from 66% to 63%) and a slight increase in the perceived benefits of simpler compliance (*highly relevant* from 61% to 65%).

Combining responses marked as *high* and *medium* relevance, over 60% of beneficiaries note the advantages of all the listed items, except support received from the audit authority which is relevant for a minority of respondents.

Finally, focusing solely on responses marked as high relevance, the most significant change between the two programming periods concerns the greater focus on results (+6%). This indicates that increased experience with SCOs enhances the perception of their benefits, particularly the ability to shift time and resources from administrative tasks to improving the quality of projects and programmes. The survey also mapped issues encountered by programme authorities when developing the SCO schemes.

**Figure 40 – Challenges faced when developing SCO schemes for ERDF programme authorities (values in %)**



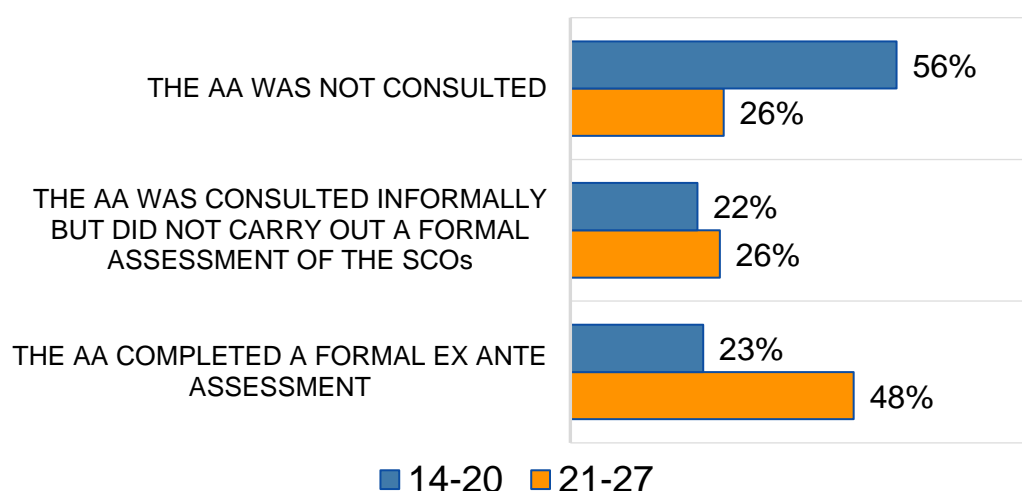
In 2014-2020, the most relevant issue for ERDF programme authorities was legal uncertainty, while in 2021-2027 it is a lack of alternative sources and a lack of historical data. However, the share of programme authorities affected by legal uncertainty and a lack of knowledge significantly decreased across the two programming periods. This

shows experience from 2014-2020 improved approaches to SCOs in the current programming period. Support from the audit authority is not considered an issue for almost half the respondents in both periods.

In both 2014-2020 and 2021-2027, the main reasons programme authorities did not use SCOs is because they were not suitable for the programme and they were burdensome. However, the number of programme authorities not using any SCO drastically decreased from 35 in 2014-2020 to only 9 in 2021-2027.

#### 7.1.4.2. Audit authority involvement in SCO definition

The figure below presents the involvement of the audit authority in the definition of SCO schemes developed under ERDF. It is noteworthy that the figures reflecting the involvement of AA in the development of SCO schemes during the 2021-2027 programming period pertain exclusively to schemes used at the lower level. For schemes at the upper level, it should be emphasized that all schemes approved under Article 94 require a formal assessment by the AA. Figure 41 – Involvement of the audit authority in SCO definition under ERDF



For many SCO schemes developed under ERDF in 2014-2020, the audit authority was either not consulted or consulted only informally (78%). There was a formal ex-ante assessment for only 23% of the schemes. Data from 2021-2027 shows a clear change, with the audit authority completing a formal ex-ante assessment for almost half the ERDF SCOs (48%).

### 7.1.5. Use of FNLC in ERDF

The first three rows in the table below display data on the use of FNLC at the lower level.<sup>26</sup> The first row shows the budget covered by FNLC including schemes already in use and those programmed. The next two rows detail the amount covered by FNLC schemes in use and the portion of the budget already reimbursed to beneficiaries using FNLC.

The final three rows provide data on FNLC at the upper level. The first row displays the amount expected to be covered by FNLC, including schemes in use and programmed. The next row details only FNLC in use. The last row details the amount already claimed by programme authorities from the Commission.

All this information is presented as percentages of programme budgets and total amounts. The percentage is the ratio between the total amount covered by FNLC and the budgets of programmes that participated in the survey and passed the quality check. The amounts in the last column are estimates of the potential budget covered at EU level including both EU and national co-financing. This applies the percentage from the first column to the entire fund budget at EU level, extracted from the Cohesion Open Data Platform, except for the FNLCs in use (second rows for both lower and upper levels), where actual (not estimated) values are displayed.

**Table 82 Overview of FNLC in ERDF in 2021-2027**

|             |   | (1) % of programme budget covered | (2) Potential programme budget covered at EU level (EUR mio) |
|-------------|---|-----------------------------------|--|
| Lower level | Total FNLC mapped (in use + programmed)         | 0.002%                            | 5  |
|             | - of which: FNLC in use                         | 0.001%                            | 4  |
|             | - of which: already reimbursed to beneficiaries | 0%                                | 0  |
| Upper level | Total FNLC mapped (in use + programmed)         | 0.666%                            | 2.175  |
|             | - of which: FNLC in use                         | 0.388%                            | 1.268  |
|             | - of which: already claimed                     | 0%                                | 0  |

FNLC within ERDF funds account for some 0.002% of the total budget at the lower level, some EUR 5 million for the full ERDF budget in 2021-2027 and 0.7% at the upper level (EUR 2 billion). Based on the responses and complemented by data from the SFC, a significant portion of this amount refers to schemes already in use (EUR 4 million at the lower level and EUR 1.3 billion at the upper level). Looking at amounts already reimbursed to beneficiaries and those claimed from the Commission, implementation is still ongoing. In neither case were there reports of amounts being reimbursed/claimed.

The table below presents an overview of FNLC use at Member State level. The second column shows the percentage of the fund budget covered at the lower level, while the

<sup>26</sup> Article 53 (1) (f) of the CPR states that financing not linked to costs are possible at the lower level provided such grants are covered by a reimbursement of the Union contribution pursuant to Article 95.

third column covers schemes approved at the upper level. Figures are calculated as the ratio between the amount covered by the FNLC identified through the study and the budgets of programmes that participated in the survey and passed the quality check.

**Table 83 – FNLC use in 2021-2027 at Member State level (ERDF)**

|                  | Lower level       | Upper level       |
|------------------|-------------------|-------------------|
| MS               | Total FNLC mapped | Total FNLC mapped |
| AT               | 0%                | 20.54%            |
| BE               | 0%                | 0%                |
| BG <sup>27</sup> | No financial data | No financial data |
| CY               | 0%                | 10.72%            |
| CZ               | 0%                | 0%                |
| DE <sup>28</sup> | 0%                | 0%                |
| DK               | 0%                | 0%                |
| EE <sup>29</sup> | 0%                | 0%                |
| EL               | 0%                | 1%                |
| ES               | 0%                | 0%                |
| FI               | 0%                | 0%                |
| FR               | 0%                | 0%                |
| HR               | 0%                | 0%                |
| HU               | 0%                | 0%                |
| IE               | 0%                | 0%                |
| IT               | 0%                | 3.49%             |
| LT               | 0%                | 0%                |
| LU               | No reply          | No reply          |
| LV               | 0.12%             | 0.12%             |
| MT               | 0%                | 0%                |
| NL               | 0%                | 0%                |
| PL               | 0%                | 0%                |
| PT               | 0%                | 0%                |
| RO <sup>30</sup> | No financial data | No financial data |
| SE               | 0%                | 0%                |
| SI               | 0%                | 0%                |
| SK               | 0%                | 0%                |

By the end of the current programming period, only one Member State (Latvia) is expected to use FNLC at the lower level under ERDF, while at least seven Member States are expected to use FNLC at the upper level: Austria, Bulgaria, Cyprus, Greece, Italy, Latvia and Romania. Of the latter only Austria and Cyprus cover more than 10% of

<sup>27</sup> Bulgaria has an FNLC adopted for ERDF. Financial information on the scheme was limited.

<sup>28</sup> Germany has an FNLC scheme in the pipeline for ERDF. Financial information on the scheme was limited.

<sup>29</sup> Estonia has an FNLC scheme in the pipeline for ERDF. Financial information on the scheme was limited.

<sup>30</sup> Romania has an FNLC scheme funded by both ERDF and ESF+. Financial information is limited for the ERDF component.

their ERDF budget using FNLC schemes. Additionally, Germany and Estonia have schemes in the pipeline; however, financial information on these was not available to the study team.

#### 7.1.5.1. Types of FNLC used in 2021-2027

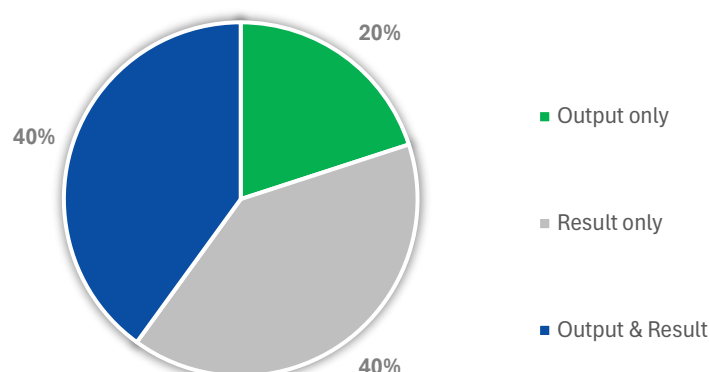
The table below shows the use of Article 95 of the CPR and Article 37 of the CPR across Member States for ERDF. Until September 2024, there were no delegated acts for REGIO funds. The table displays the ratio between the amount covered by FNLC identified through the study and the budgets of programmes that participated in the survey and passed the quality check.

**Table 84 – ERDF Type of FNLC in 2021-2027**

| MS | Lower level                        |                              |                              | Upper level                        |                              |                              |
|----|------------------------------------|------------------------------|------------------------------|------------------------------------|------------------------------|------------------------------|
|    | Article 95(4) CPR (Delegated acts) | Appendix 2 of Article 95 CPR | Appendix 2 of Article 37 CPR | Article 95(4) CPR (Delegated acts) | Appendix 2 of Article 95 CPR | Appendix 2 of Article 37 CPR |
| AT | 0%                                 | 0%                           | 0%                           | 0%                                 | 20.54%                       | 0%                           |
| BE | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| BG | 0%                                 | No financial data            | 0%                           | 0%                                 | No financial data            | 0%                           |
| CY | 0%                                 | 0%                           | 0%                           | 0%                                 | 10.72%                       | 0%                           |
| CZ | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| DE | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| DK | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| EE | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| EL | 0%                                 | 0%                           | 0%                           | 0%                                 | 0.79%                        | 0%                           |
| ES | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| FI | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| FR | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| HR | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| HU | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| IE | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| IT | 0%                                 | 0%                           | 0%                           | 0%                                 | 3.49%                        | 0%                           |
| LT | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| LU | No reply                           | No reply                     | No reply                     | No reply                           | No reply                     | No reply                     |
| LV | 0%                                 | 0%                           | 0.12%                        | 0%                                 | 0%                           | 0.12%                        |
| MT | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| NL | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| PL | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| PT | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| RO | 0%                                 | No data                      | 0%                           | 0%                                 | No data                      | 0%                           |
| SE | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| SI | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |
| SK | 0%                                 | 0%                           | 0%                           | 0%                                 | 0%                           | 0%                           |

At the upper level, almost all FNLC schemes have been adopted through Appendix 2 of Article 95 of the CPR, with only one Member State reporting a scheme through Appendix 2 of Article 37 of the CPR (Latvia). The Latvian scheme is also the only one used at the lower level.

Figure 41 – Types of FNLC indicators to trigger payment in ERDF



Information from the survey and the SFC for six programmes (11 schemes)<sup>31</sup> show four reported schemes using a combination of output and result-based indicators to trigger payments. In four schemes, these indicators are result-based only, while for two they are output-based. One scheme did not provide information on the indicators used. Examples of these indicators are listed in the boxes below.

#### Box 4 – Examples of output-based indicators used in FNLC schemes

- Kilowatt hour
- Number of administrations adhering to the Staff Employment Agreement
- Number of public staff hires
- Number of Research and Development infrastructures supported and put into operation under the respective funding agreement
- Number of working days offered to beneficiaries
- Regional projects carried out
- Training services provided

#### Box 5 – Examples of result-based indicators used in FNLC schemes

- Estimated greenhouse gas emissions
- Performance improvement: improvement in the spending capacity of ERDF funds

<sup>31</sup> Out of these 11 schemes reported, 5 are from the same CCI in Italy, while 2 are from the same CCI in Austria. These schemes were counted separately as OPs reported the use of different indicators and amounts.

- Performance improvement: percentage change in projects implemented out of those financed in the 2021-27 programming compared to the 2014-20
- Percentage increase in the absorption of ERDF funds in selected sectors
- Total energy saved from households after the energy upgrade

Survey data also indicates that most of the FNLC schemes do not include an established adjustment/update methodology. Only two programmes reported incorporating adjustment mechanisms based on indicators. However, only one programme disclosed the indicator used to adjust amounts, which involved a price review informed by environmental promotion reports from previous years.

#### 7.1.5.2. Specific objectives covered by FNLC in 2021-2027

The table below shows the use of FNLC schemes across each Specific Objective identified through the survey. Figures are shown as percentages of FNLC schemes reported for each Specific Objective divided by the total number of reported FNLCs. Each FNLC can cover multiple Specific Objectives.

**Table 85 – Coverage of ERDF Specific Objectives per FNLC**

| Specific Objectives                                  | % of FNLC schemes covering the Specific Objective |
|--|---|
| 1.1 - Enhancing research and innovation              | 9%  |
| 1.2 - Reaping the benefits of digitisation           | 0%  |
| 1.3 - Growth and competitiveness of SMEs             | 0%  |
| 1.4 - Skills for smart specialisation and transition | 0%  |
| 1.5 - Digital connectivity                           | 0%  |
| 2.1 - Energy efficiency                              | 18%   |
| 2.2 - Renewable energy                               | 9%  |
| 2.3 - Smart energy systems                           | 0%  |
| 2.4 - Climate change adaptation                      | 0%  |
| 2.5 - Sustainable water                              | 0%  |
| 2.6 - Circular economy                               | 0%  |
| 2.7 - Nature protection and biodiversity             | 0%  |
| 2.8 - Sustainable urban mobility                     | 0%  |
| 3.1 - Sustainable TEN-T                              | 0%  |
| 3.2 - Sustainable transport                          | 0%  |
| 4.1 - Labour market infrastructure                   | 0%  |
| 4.2 - Education and training infrastructure          | 0%  |
| 4.3 - Integration of marginalised communities        | 0%  |
| 4.4 - Integration of third country nationals         | 0%  |
| 4.5 - Access to health care                          | 0%  |
| 4.6 - Culture and sustainable tourism                | 0%  |
| 5.1 - Integrated development in urban areas          | 0%  |

|   |     |
|---|-----|
| 5.2 - Integrated development in rural and coastal areas         | 0%  |
| FNLC Schemes with no Specific Objective informed by respondents | 64% |

Of the ERDF FNLC schemes which passed the quality checks, the most common relate to energy efficiency (SO 2.1), in two reported schemes. One scheme enhance research and innovation (SO 1.1) and one relates to renewable energy (SO 2.2). Seven schemes did not have any Specific Objective noted by survey respondents, as they refer to Technical Assistance projects.<sup>32</sup>

### 7.1.5.3. Advantages, challenges and reasons for not using FNLC

The figure below provides a qualitative analysis of FNLC advantages, as reported by managing authorities in our survey. Respondents highlighted key benefits, notably reduced errors and financial corrections or other corrective actions, as well as the simplicity and ease of compliance checks, both of which were rated as high/medium priority by over 80% of respondents.

Additionally, over 70% of managing authorities identified the reduced administrative burden, their ability to focus more on concrete outputs and results and the opportunity to reallocate resources to other activities, such as performance monitoring as having medium or high relevance.

**Figure 42 – Key advantages of FNLC (ERDF) (values in %)**

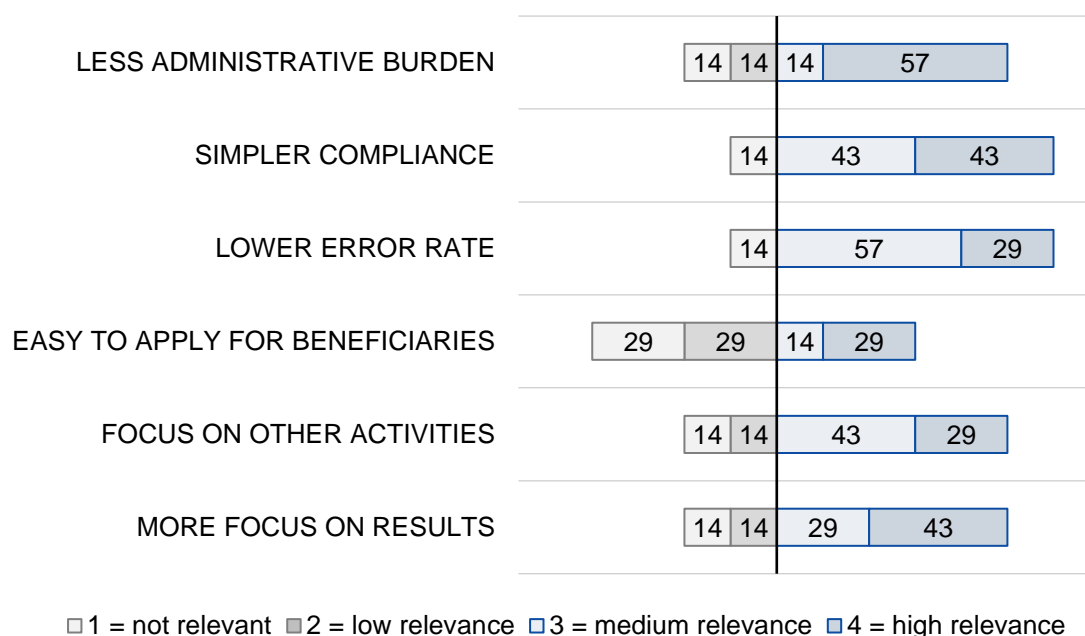


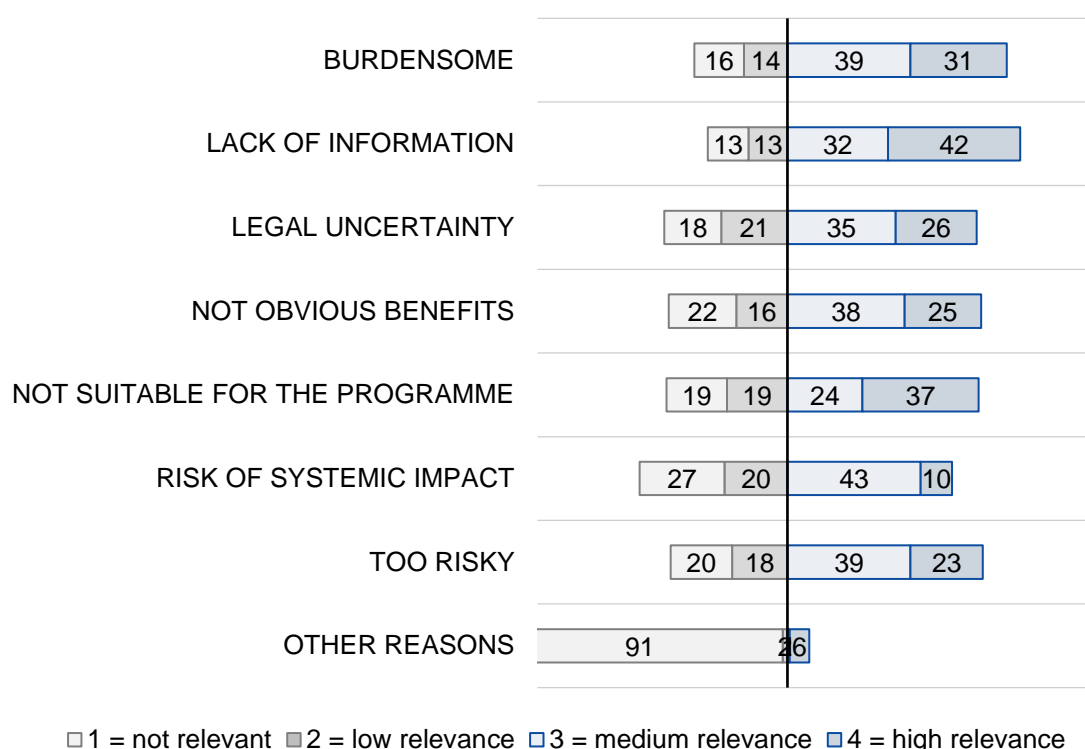
Figure 43 outlines reasons for not using FNLC schemes, with the primary concern being a lack of information on how to design and implement such schemes; 75% of

<sup>32</sup> Please note that out of these 7 schemes reported, 5 are from the same CCI. They were counted separately as they reported the use of different indicators.

respondents rated this as medium/high importance. Following closely, 70% cited the administrative burden of designing FNLC schemes as a significant issue.

Other concerns include legal uncertainty surrounding FNLC schemes, the perception they do not offer clear benefits, they are too risky and their perceived unsuitability for certain programmes. Each of these factors was rated as medium/high priority by at least 60% of respondents.

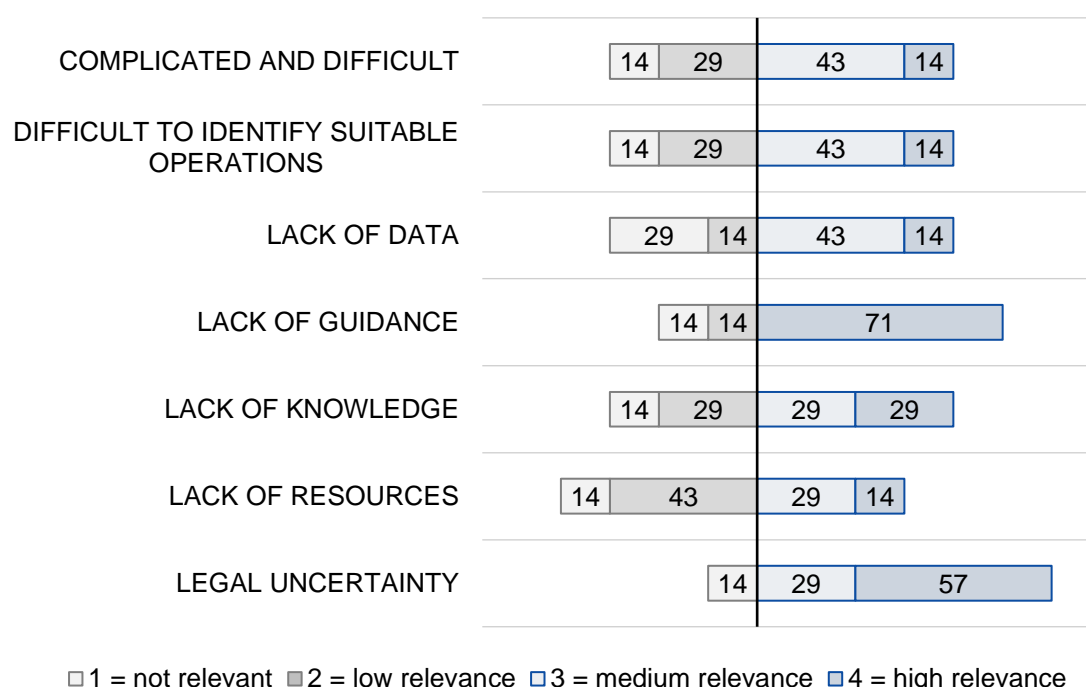
**Figure 43 – Key reasons for not using FNLC (ERDF) (values in %)**



The figure below highlights key challenges faced by managing authorities when developing FNLC schemes. Two concerns stand out: legal uncertainty surrounding FNLC schemes, rated as a medium/high priority by over 85% of respondents and the lack of guidance and practical examples on designing FNLC methodologies, including defining indicators and setting up results or conditions, rated as highly relevant by 71% of respondents.

Other important but less prominent issues include the perception that FNLC schemes are complicated and difficult to implement, difficulties in identifying suitable types of operations, insufficient data for developing methodologies and a lack of knowledge and expertise within the programme authority. Each of these issues was rated as medium/high importance by over half the respondents.

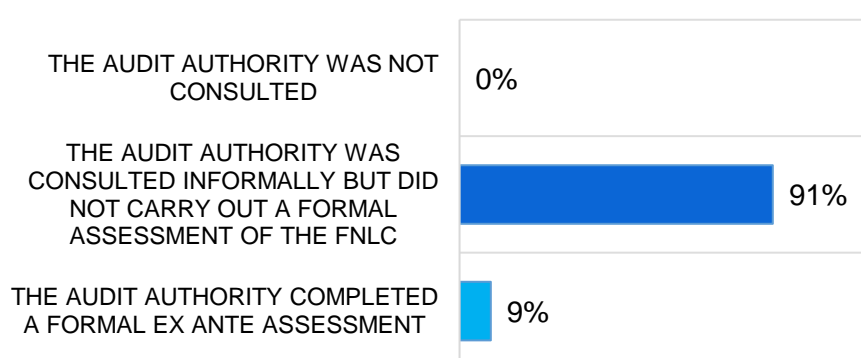
**Figure 44 – Key challenges faced in developing FLNC (ERDF) (values in %)**



#### 7.1.5.4. Audit authority involvement in defining FNLC

The figure below shows the audit authority involvement in defining the FNLCs from the survey of stakeholders. In over 90% of reported schemes, managing authorities reported that the audit authority was consulted informally without conducting a formal assessment.<sup>33</sup> The remainder had a formal ex ante assessment. No managing authorities reported a lack of consultation with the audit authority.

**Figure 45 – Involvement of audit authority in the FLNC (ERDF)**



<sup>33</sup> Please note that Article 95 of the CPR does not request a formal assessment.

## 7.2. Use of SCO in CF

### 7.2.1. Key findings

The table below summarises the uptake of simplification measures covered by this study across two programming periods.

The first column shows the use of simplification measures at both lower and upper levels during the 2014–2020 period. The second column presents the coverage of simplification measures mapped by this study for the 2021–2027 programming period, combining ‘in use’ and ‘programmed’ schemes.

For both programming periods and for both levels, the table displays uptake as a percentage of the total ERDF budget. It also shows uptake from the total CF budget, excluding the portion covered by financial instruments, for which SCOs and FNLC are not applicable.

**Table 86 – The use of simplification measures under CF**

|                         |                                 | 2014-2020 | 2021-2027 |
|-------------------------|---------------------------------|-----------|-----------|
|                         |                                 | SCOs      | SCOs      |
| Coverage at lower level | Total budget                    | 0.5%      | 2.3%      |
|                         | Excluding financial instruments | 0.5%      | 2.9%      |
| Coverage at upper level | Total budget                    | -         | 0.7%      |
|                         | Excluding financial instruments | -         | 0.6%      |

### 7.2.2. Use of SCOs in 2014-2020

The table below covers SCO use under CF in 2014-2020.

The first row shows the budget covered by SCOs by the end of the programming period. The next row details the amount covered by operations below EUR 100 000.

The percentage is based on programme budgets covered by SCOs identified through the study. For more detail, refer to the first and second steps of the process outlined in Chapter 1.4. The amounts in the last column are estimates of the potential budget covered at EU level (including both EU and national co-financing). This applies the percentage from the first column to the entire CF budget (including national co-financing) at EU level. For more detail, refer to the third step of the process outlined in Chapter 1.4.

**Table 87 – SCO use in CF in 2014-2020**

|      | (1) % of OP budget covered | (2) Estimated OP budget covered at EU level (EUR bn) |
|------|----------------------------|--|
| SCOs | 0.5%                       | 0.375  |

SCO use under CF accounted for some 0.5% of the CF budget (EUR 375 million).

The table below shows SCO use at Member State level.

**Table 88 –SCO use under CF in 2014-2020 by Member State**

| Member State | SCOs  |
|--------------|-------|
| AT           | -     |
| BE           | -     |
| BG           | 0.5%  |
| CY           | 5.7%  |
| CZ           | 0.0%  |
| DE           | -     |
| DK           | -     |
| EE           | 1.6%  |
| EL           | 2.6%  |
| ES           | -     |
| FI           | -     |
| FR           | -     |
| HR           | 0.9%  |
| HU           | 0.2%  |
| IE           | -     |
| IT           | -     |
| LT           | 4.3%  |
| LU           | -     |
| LV           | 4.2%  |
| MT           | 10.1% |
| NL           | -     |
| PL           | 0.0%  |
| PT           | 0.0%  |
| RO           | 0.0%  |
| SE           | -     |
| SI           | 0.0%  |
| SK           | 0.0%  |
| UK           | -     |

As seen in the table above, at the end of the 2014-2020 period, only Malta covered more than 10% of their CF budget using SCOs. At least six Member States do not use SCOs under CF: Czechia, Poland, Portugal, Romania, Slovenia and Slovakia.

#### 7.2.2.1. Types of SCO used in 2014-2020

The table shows the use of flat rate, unit cost and lump sum SCOs across Member States as the percentage of the total programme budget covered by each type of SCO.

**Table 89 – CF Type of SCO in 2014-2020<sup>34</sup>**

| Member State   | Budget covered (%) |             |             |
|----------------|--------------------|-------------|-------------|
|                | Flat Rate          | Unit Cost   | Lump Sum    |
| AT             | -                  | -           | -           |
| BE             | -                  | -           | -           |
| BG             | 0.5%               | 0.0%        | 0.0%        |
| CY             | 0.7%               | 5.0%        | 0.0%        |
| CZ             | 0.0%               | 0.0%        | 0.0%        |
| DE             | -                  | -           | -           |
| DK             | -                  | -           | -           |
| EE             | 0.0%               | 1.6%        | 0.0%        |
| EL             | 0.1%               | 2.6%        | 0.0%        |
| ES             | -                  | -           | -           |
| FI             | -                  | -           | -           |
| FR             | -                  | -           | -           |
| HR             | 0.1%               | 0.9%        | 0.0%        |
| HU             | 0.2%               | 0.0%        | 0.0%        |
| IE             | -                  | -           | -           |
| IT             | -                  | -           | -           |
| LT             | 0.3%               | 4.0%        | 0.0%        |
| LU             | -                  | -           | -           |
| LV             | 0.1%               | 0.0%        | 4.1%        |
| MT             | 0.0%               | 0.0%        | 10.1%       |
| NL             | -                  | -           | -           |
| PL             | 0.0%               | 0.0%        | 0.0%        |
| PT             | 0.0%               | 0.0%        | 0.0%        |
| RO             | 0.0%               | 0.0%        | 0.0%        |
| SE             | -                  | -           | -           |
| SI             | 0.0%               | 0.0%        | 0.0%        |
| SK             | 0.0%               | 0.0%        | 0.0%        |
| UK             | -                  | -           | -           |
| <b>TOTAL *</b> | <b>0.1%</b>        | <b>0.3%</b> | <b>0.1%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

Among Member States using SCOs, unit costs are the most commonly used. In 5 of the 8 Member States that use SCOs, unit costs predominate. At the EU level, unit costs cover 0.3%.

<sup>34</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

### 7.2.2.2. Thematic objectives covered by SCOs in 2014-2020

The table below shows the distribution of SCOs across Thematic Objectives identified through the CF survey. The percentages total more than 100% because each SCO can cover multiple Thematic Objectives.

**Table 90 – Coverage of CF Thematic Objectives by SCOs**

| Thematic objective  | % of SCOs |
|---|-----------|
| TO 4: Supporting the shift towards a low-carbon economy                                       | 33%       |
| TO 5: Promoting climate change adaptation, risk prevention and management                     | 19%       |
| TO 6: Preserving and protecting the environment and promoting resource efficiency             | 44%       |
| TO 7: Promoting sustainable transport and removing bottlenecks in key network infrastructures | 26%       |
| TO 11: Enhancing the capability of public authorities and efficient public administration     | 0%        |

Many SCOs (44%) were used for operations preserving and protecting the environment and promoting resource efficiency (TO 6). Furthermore, 33% and 26% respectively of the schemes were supporting the shift towards a low-carbon economy through TO 4 as well as for promoting sustainable transport and improving network infrastructures through TO 7.

### 7.2.2.3. Beneficiaries covered by SCOs in 2014-2020

The table below illustrates the distribution of SCOs across types of beneficiaries identified through the CF survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 91 – Beneficiaries reimbursed through SCOs for CF operations**

| Type of beneficiary  | % of SCOs |
|----------------------|-----------|
| National authorities | 56%       |
| Municipalities       | 26%       |
| Households           | 26%       |
| Regional authorities | 19%       |
| Associations/ NGOs   | 11%       |
| SMEs                 | 11%       |
| Micro-enterprises    | 4%        |
| Large enterprises    | 4%        |
| Universities         | 4%        |
| Health institutions  | 5%        |

Most SCOs (56%) were used for CF operations implemented by national authorities. Other major beneficiaries were municipalities and households (26%).

#### 7.2.2.4. Types of costs covered by SCOs in 2014-2020

The table below shows the distribution of SCOs among the types of costs identified through the CF survey. The total is more than 100% because each SCO can cover multiple costs.

**Table 92 – Types of costs covered by SCOs**

| Type of cost               | % of SCOs |
|----------------------------|-----------|
| Direct costs               | 50%       |
| Indirect costs             | 38%       |
| All costs of the operation | 21%       |

50% of the SCOs covered direct costs from CF operations and 38% covered indirect costs. In addition, 21% covered all costs of the operations.

#### 7.2.3. Use of SCOs in 2021-2027

The table below covers SCO use under CF in 2021-2027.

The first four rows present SCOs at the lower level. The first row shows the coverage of SCOs mapped in this study, aggregating 'in use' and 'programmed' schemes. The subsequent three rows provide a breakdown of the total already covered by SCOs and the portion already reimbursed to beneficiaries using SCOs.

The fourth and fifth and rows focus on SCOs at the upper level approved under Article 94(2) of the CPR. The fifth row presents the overall coverage, aggregating schemes submitted to the Commission and those programmed. The sixth row details the amount covered by schemes already submitted to the Commission.

The percentage is the share covered by SCOs of the budgets of programmes that participated in the survey. For more detail, refer to the first and second steps of the process outlined in Chapter 1.4. The amounts in the last column are estimates of the potential budget covered at EU level including EU and national co-financing. This applies the percentage from the first column to the entire CF budget including co-financing at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4). The only exception concerns amounts for schemes in use approved under Article 94(2), which considers only the amounts declared by the survey respondents.

**Table 93 – SCO mapped in CF in 2021-2027**

|                           |  | (1) % of programme budget covered | (2) Estimated programme budget covered at EU level (EUR bn) |
|---------------------------|--|-----------------------------------|---|
| Lower level               | SCOs planned* (in use + programmed)            | 2.3%                              | 1.141   |
|                           | - of which: SCOs in use                        | 2.3%                              | 1.127   |
|                           | - of which already reimbursed to beneficiaries | 0.1%                              | 0.048   |
| Upper level Article 94(2) | SCOs planned (in use + programmed)             | 0.7%                              | 0.309   |

|  |             |      |       |
|--|-------------|------|-------|
|  | SCOs in use | 0.7% | 0.309 |
|--|-------------|------|-------|

SCO use under CF accounts for over EUR 1.1 billion, some 2.3% of the CF budget. Based on the responses, almost all the expected impact at the end of the programming period is linked to existing schemes (EUR 1.1 billion). This suggests the effort required to define new SCOs by programme authorities is largely complete. Conversely, expenditure already reimbursed through SCOs (0.1%, or EUR 50 million) implies some delay in implementation of 2021-2027 funds. So the benefits of reduced costs and administrative burden will only be felt as financial absorption of the programmes progresses.

The table below shows SCO use at Member State level. The first column shows the percentage of CF budget covered at the lower level, while the second column displays the share of the budget covered by schemes approved under Article 94(2) of the CPR.

For some Member States (in blue in the table), coverage for 2021-2027 in the 'SCOs planned' column is derived from 2014-2020. For more details see chapters 1.3 and 1.4.

Member States that did not complete the questionnaire are marked in the table as 'No reply,' while those that provided only partial responses (e.g., no amounts) or submitted inconsistent responses which did not pass the quality check (see section 1.3) are marked as 'Partial.'

**Table 94 – SCO use in CF in 2021-2027 by Member State**

| Member State | Lower level SCOs mapped | Upper level Article 94(2) SCOs mapped |
|--------------|-------------------------|---------------------------------------|
| AT           | -                       | -                                     |
| BE           | -                       | -                                     |
| BG           | 4.1%                    | 0.0%                                  |
| CY           | 5.7%                    | 0.0%                                  |
| CZ           | 1.9%                    | 0.4%                                  |
| DE           | -                       | -                                     |
| DK           | -                       | -                                     |
| EE           | partial                 | partial                               |
| EL           | 1.3%                    | 1.3%                                  |
| ES           | -                       | -                                     |
| FI           | -                       | -                                     |
| FR           | -                       | -                                     |
| HR           | 5.9%                    | 0.0%                                  |
| HU           | 7.9%                    | 0.0%                                  |
| IE           | -                       | -                                     |
| IT           | -                       | -                                     |
| LT           | 15.9%                   | 15.9%                                 |
| LU           | -                       | -                                     |
| LV           | No reply                | No reply                              |
| MT           | 7.1%                    | 0.0%                                  |
| NL           | -                       | -                                     |
| PL           | 1.9%                    | 0.0%                                  |
| PT           | 0.0%                    | 0.0%                                  |

| Member State | Lower level SCOs mapped | Upper level Article 94(2) SCOs mapped |
|--------------|-------------------------|---------------------------------------|
| RO           | 0.0%                    | 0.0%                                  |
| SE           | -                       | -                                     |
| SI           | 0.6%                    | 0.0%                                  |
| SK           | 1.0%                    | 0.0%                                  |

As presented in the table above, by the end of the 2021-2027 period, five Member States are expected to cover more than 5% of their CF budget using SCOs: Cyprus, Croatia, Hungary, Lithuania and Malta. Three Member States use 1% or less of their budget: Portugal, Romania and Slovenia.

### 7.2.3.1. Types of SCO used in 2021-2027

The table below shows flat rate, unit cost and lump sum SCOs across Member States as the share of programme budget expected to be covered by each type.

**Table 95 – CF Type of SCO at lower level in 2021-2027<sup>35</sup>**

| Member State | Lower level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | -                  | -         | -        |
| BE           | -                  | -         | -        |
| BG           | 4.1%               | 0.0%      | 0.0%     |
| CY           | 0.7%               | 5.0%      | 0.0%     |
| CZ           | 1.5%               | 0.4%      | 0.0%     |
| DE           | -                  | -         | -        |
| DK           | -                  | -         | -        |
| EE           | partial            | partial   | partial  |
| EL           | 0.0%               | 1.3%      | 0.0%     |
| ES           | -                  | -         | -        |
| FI           | -                  | -         | -        |
| FR           | -                  | -         | -        |
| HR           | 5.9%               | 0.0%      | 0.0%     |
| HU           | 5.9%               | 2.0%      | 0.0%     |
| IE           | -                  | -         | -        |
| IT           | -                  | -         | -        |
| LT           | 0.3%               | 15.5%     | 0.0%     |
| LU           | -                  | -         | -        |
| LV           | No reply           | No reply  | No reply |
| MT           | 7.0%               | 0.1%      | 0.0%     |

<sup>35</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

| Member State  | Lower level        |             |             |
|---------------|--------------------|-------------|-------------|
|               | Budget covered (%) |             |             |
|               | Flat Rate          | Unit Cost   | Lump Sum    |
| NL            | -                  | -           | -           |
| PL            | 1.9%               | 0.0%        | 0.0%        |
| PT            | 0.0%               | 0.0%        | 0.0%        |
| RO            | 0.0%               | 0.0%        | 0.0%        |
| SE            | -                  | -           | -           |
| SI            | 0.0%               | 0.0%        | 0.6%        |
| SK            | 1.0%               | 0.0%        | 0.0%        |
| <b>TOTAL*</b> | <b>1.5%</b>        | <b>0.8%</b> | <b>0.0%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

Among the Member States using SCO, flat rates are the most common. In 7 of the 10 Member States that use SCOs, flat rates are predominate. At the EU level, flat rates cover 1.5% of the total budget, followed by unit costs (0.8%). Lump sums are not used by any Member State.

The table below details the types of Member State designed SCO approved or programmed to be approved under Article 94(2) of the CPR.

**Table 96 – CF Type of SCO at the upper level in 2021-2027<sup>36</sup>**

| Member State | Upper level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | -                  | -         | -        |
| BE           | -                  | -         | -        |
| BG           | 0.0%               | 0.0%      | 0.0%     |
| CY           | 0.0%               | 0.0%      | 0.0%     |
| CZ           | 0.0%               | 0.4%      | 0.0%     |
| DE           | -                  | -         | -        |
| DK           | -                  | -         | -        |
| EE           | partial            | partial   | partial  |
| EL           | 0.0%               | 1.3%      | 0.0%     |
| ES           | -                  | -         | -        |
| FI           | -                  | -         | -        |
| FR           | -                  | -         | -        |
| HR           | 0.0%               | 0.0%      | 0.0%     |
| HU           | 0.0%               | 0.0%      | 0.0%     |
| IE           | -                  | -         | -        |
| IT           | -                  | -         | -        |
| LT           | 0.3%               | 15.5%     | 0.0%     |

<sup>36</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

| Member State  | Upper level        |             |             |
|---------------|--------------------|-------------|-------------|
|               | Budget covered (%) |             |             |
|               | Flat Rate          | Unit Cost   | Lump Sum    |
| LU            | -                  | -           | -           |
| LV            | No reply           | No reply    | No reply    |
| MT            | 0.0%               | 0.0%        | 0.0%        |
| NL            | -                  | -           | -           |
| PL            | 0.0%               | 0.0%        | 0.0%        |
| PT            | 0.0%               | 0.0%        | 0.0%        |
| RO            | 0.0%               | 0.0%        | 0.0%        |
| SE            | -                  | -           | -           |
| SI            | 0.0%               | 0.0%        | 0.0%        |
| SK            | 0.0%               | 0.0%        | 0.0%        |
| <b>TOTAL*</b> | <b>0.0%</b>        | <b>0.7%</b> | <b>0.0%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

The 2021-2027 CPR Regulation allows different approaches at lower and upper levels for SCOs. For instance, SCOs approved under Article 94 of the CPR can be used at the upper level, with a different type of SCO or even actual costs used at the lower level.

Survey data highlights that all schemes adopted under Article 94 have also been implemented at the lower level. The table below focuses on the lower level and highlights, for each Member State, the 'weight' of schemes approved under Article 94 in the financial flow to beneficiaries. The table shows the budget share covered by SCOs for beneficiaries, distinguishing between those exclusively for the lower level (Article 53) and those also used for payment requests to the Commission (Article 94).

As an example, in the table, Czechia covered 1.9% of the CF budget with lower level SCOs, of which 1.5% were established through Article 53 and the remaining 0.4% through Article 94.

**Table 97 – CF use of SCOs at lower level under Article 53 vs Article 94 CPR**

| Member State | Lower level                                |                            |                            |
|--------------|--|----------------------------|----------------------------|
|              | Total SCO planned<br>(Article 53 + 94 CPR) | Of which Article 53<br>CPR | Of which Article 94<br>CPR |
| AT           | -  | -                          | -                          |
| BE           | -  | -                          | -                          |
| BG           | 4.1%                                       | 4.1%                       | 0.0%                       |
| CY           | 5.7%                                       | 5.7%                       | 0.0%                       |
| CZ           | 1.9%                                       | 1.5%                       | 0.4%                       |
| DE           | -  | -                          | -                          |
| DK           | -  | -                          | -                          |
| EE           | partial                                    | partial                    | partial                    |
| EL           | 1.3%                                       | 0.0%                       | 1.3%                       |
| ES           | -  | -                          | -                          |
| FI           | -  | -                          | -                          |
| FR           | -  | -                          | -                          |

| Member State | Lower level                             |                         |                         |
|--------------|---|-------------------------|-------------------------|
|              | Total SCO planned (Article 53 + 94 CPR) | Of which Article 53 CPR | Of which Article 94 CPR |
| HR           | 5.9%                                    | 5.9%                    | 0.0%                    |
| HU           | 7.9%                                    | 7.9%                    | 0.0%                    |
| IE           | -                                       | -                       | -                       |
| IT           | -                                       | -                       | -                       |
| LT           | 15.9%                                   | 0.0%                    | 15.9%                   |
| LU           | -                                       | -                       | -                       |
| LV           | No reply                                | No reply                | No reply                |
| MT           | 7.1%                                    | 7.0%                    | 0.1%                    |
| NL           | -                                       | -                       | -                       |
| PL           | 1.9%                                    | 1.9%                    | 0.0%                    |
| PT           | 0.0%                                    | 0.0%                    | 0.0%                    |
| RO           | 0.0%                                    | 0.0%                    | 0.0%                    |
| SE           | -                                       | -                       | -                       |
| SI           | 0.6%                                    | 0.6%                    | 0.0%                    |
| SK           | 1.0%                                    | 1.0%                    | 0.0%                    |

### 7.2.3.2. Specific objectives covered by SCOs in 2021-2027

The table below shows the distribution of SCOs across Specific Objectives identified through the CF survey. The total is more than 100% because each SCO can cover multiple Specific Objectives.

**Table 98 – Coverage of CF Specific Objectives by the SCOs**

| Specific Objective                         | % of SCOs |
|--|-----------|
| SO 2.1: Energy efficiency                  | 30%       |
| SO 2.2: Renewable energy                   | 30%       |
| SO 2.3: Smart energy systems               | 0%        |
| SO 2.4: Climate change adaptation          | 9%        |
| SO 2.5: Sustainable water                  | 23%       |
| SO 2.6: Circular economy                   | 14%       |
| SO 2.7: Nature protection and biodiversity | 14%       |
| SO 2.8: Sustainable urban mobility         | 14%       |
| SO 3.1: Sustainable TEN-T                  | 16%       |
| SO 3.2: Sustainable transport              | 5%        |
| Technical assistance                       | 16%       |

Almost a third of the SCOs (30%) are used in CF operations regarding energy efficiency and renewable energy (SO 2.1 and SO 2.2). Furthermore, 23% are used for operations related to sustainable water (SO 2.5). SO 2.3 which concerns smart energy systems is not covered at all.

### 7.2.3.3. Beneficiaries covered by SCOs in 2021-2027

The table below illustrates the distribution of SCOs among types of beneficiaries identified through the CF survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 99 – Beneficiaries reimbursed through SCOs for CF operations**

| Type of beneficiary               | % of SCOs |
|-----------------------------------|-----------|
| National authorities              | 25%       |
| Municipalities/ Local authorities | 22%       |
| NGOs/Associations                 | 13%       |
| Regional authorities              | 9%        |
| Large enterprises                 | 9%        |
| Health institutions               | 6%        |
| SMEs                              | 6%        |
| Research centres/ Universities    | 6%        |
| Households                        | 6%        |
| Micro-enterprises                 | 3%        |

Most of the SCOs are used for CF operations implemented by national authorities (25%), municipalities/local authorities (22%) and NGOs/associations (13%).

### 7.2.3.4. Types of costs covered by SCOs in 2021-2027

The table below shows the distribution of SCOs across types of costs identified through the CF survey. The total is more than 100% because each SCO can cover multiple costs.

**Table 100 – Types of costs covered by the SCOs**

| Type of cost                        | % of SCOs |
|-------------------------------------|-----------|
| Direct costs                        | 81%       |
| Indirect costs                      | 25%       |
| All eligible costs other than staff | 9%        |
| All costs of the operation          | 6%        |

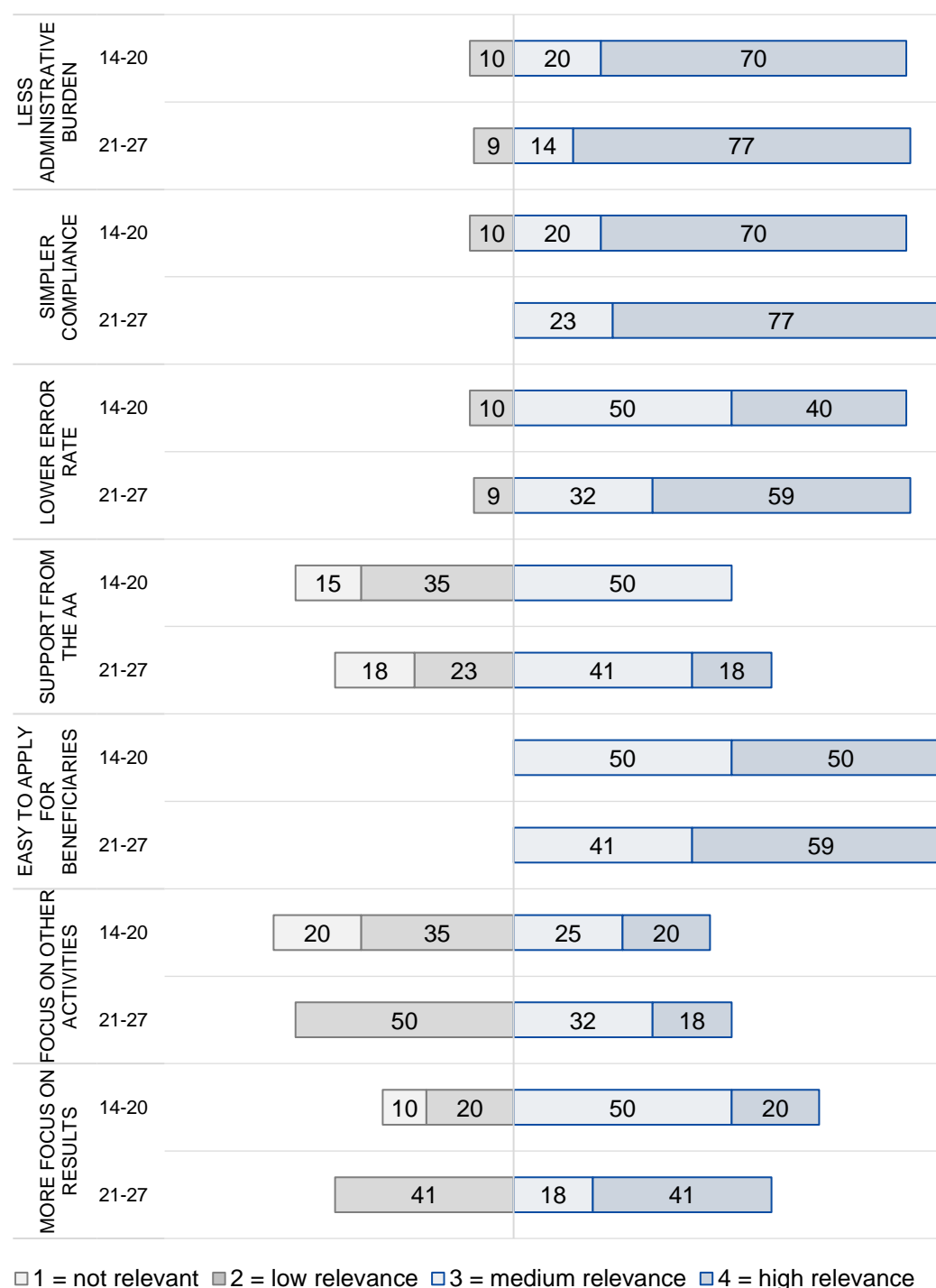
81% of the SCOs are being used to cover all the direct costs from CF operations and 25% to cover indirect costs. Such costs are mostly covered by off-the-shelf SCOs. Only 6% of the SCOs cover all costs of the operations.

## 7.2.4. CF programme authorities' perceptions of SCOs

### 7.2.4.1. Advantages and challenges related to SCO

This section presents qualitative inputs from respondents regarding advantages of SCO schemes as well as issues encountered when developing them. It also includes the feedback of respondents did not use any SCO.

**Figure 46 – Advantages of SCO schemes for CF programme authorities (values in %)**

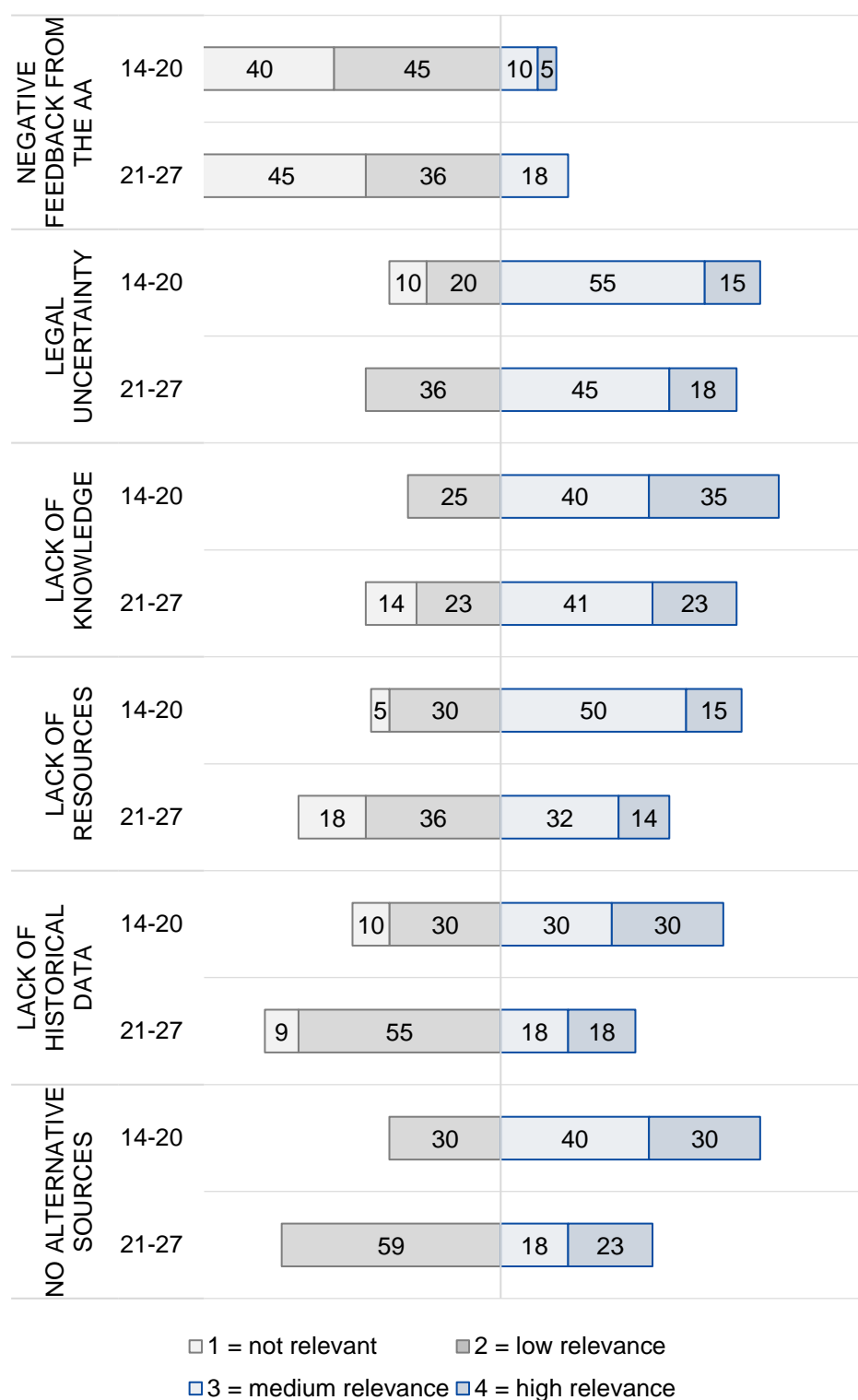


Between 2014-2020 and 2021-2027, CF programme authorities increasingly viewed SCOs as effective in reducing error rates and corrective actions, simplifying compliance, easing administrative burden and improving support from audit authorities. All programme authorities from both programming periods consider that SCO schemes simplify the application process for beneficiaries. While half of them considered it highly

relevant in 2014-2020, this increased to 59% in 2021-2027. Overall, there is an increased perception of SCOs bringing benefits for programme authorities.

The survey also mapped issues encountered by programme authorities when developing SCO schemes, as shown in the figure.

**Figure 47 – Challenges faced in developing SCO schemes for CF programme authorities (values in %)**



The most relevant issue is a lack of knowledge. However, this perception decreased between 2014-2020 and 2021-2027, proving that experience in 2014-2020 helps approaches to SCOs in the current programming period. The share of programme authorities perceiving a lack of alternative sources and historical data as an issue also

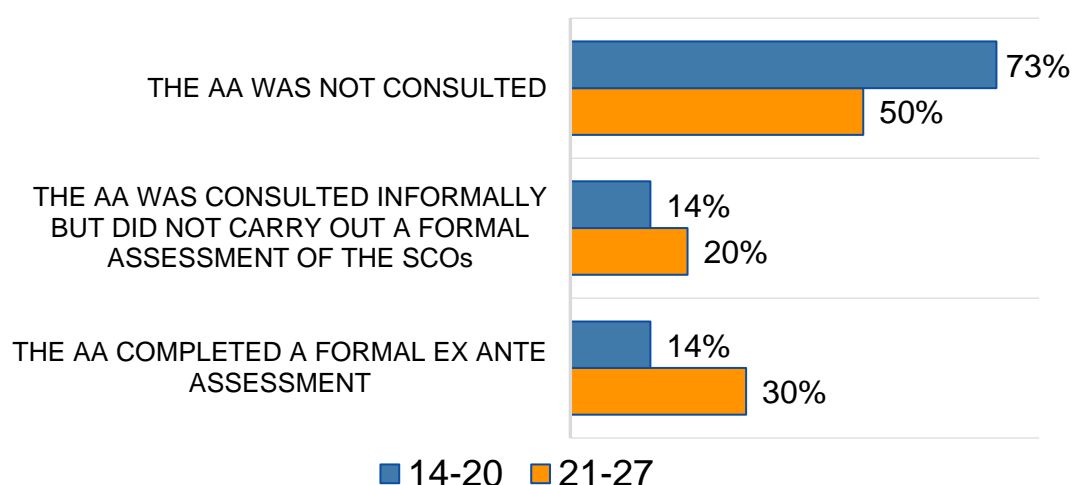
significantly decreased across the two programming periods. Nevertheless, legal uncertainty remains important for some two thirds of programme authorities (67% in 2014-2020 and 70% in 2021-2027). However, support from the audit authority is not an issue for 40% of respondents in 2014-2020 and 42% in 2021-2027.

In both 2014-2020 and 2021-2027, the main reasons programme authorities did not use any SCO is because they were not suitable for the programme, or the burden.

### 7.2.5. Involvement of the audit authority in defining SCOs

The figure below presents the involvement of the audit authority in defining SCO schemes developed under CF. It is noteworthy that the figures reflecting the involvement of AA in the development of SCO schemes during the 2021-2027 programming period pertain exclusively to schemes used at the lower level. For schemes at the upper level, it should be emphasized that all schemes approved under Article 94 require a formal assessment by the AA.

**Figure 48 – Audit authority involvement in the definition of SCOs under CF**



For the great majority of SCO schemes developed under CF in 2014-2020, the audit authority was either not consulted or consulted only informally (87%). There was a formal ex-ante assessment for only 14% of the schemes. Data from 2021-2027 shows a change, since the audit authority completed a formal ex-ante assessment for almost one third of the SCO schemes (30%). Nevertheless, there was no consultation for 50% of the schemes.

## 7.3. Use of SCO in JTF

The table below covers SCO use within JTF in 2021-2027.

The first four rows present the SCOs mapped at the lower level. The first row shows the overall coverage of SCOs mapped in this study, aggregating 'in use' and 'programmed' schemes. The subsequent three rows provide a breakdown of the total already covered by SCOs, the amount covered by operations below EUR 200 000 and the portion already reimbursed to beneficiaries using SCOs.

The fifth and sixth rows focus on SCOs at the upper level approved under Article 94(2) of the CPR. The fifth row presents the overall coverage, aggregating schemes already submitted to the Commission and those programmed. The sixth row details the amount covered by schemes that have already been submitted to the Commission.

The percentage is the SCO share of the budgets of programmes that participated in the survey. For more detail, refer to the first and second steps of the process outlined in Chapter 1.4. The amounts in the last column are estimates of potential budget coverage at EU level including EU and national co-financing. This applies the percentage from the first column to the entire JTF budget including co-financing at EU level (for more detail, refer to the third step of the process outlined in Chapter 1.4). The only exception is for amounts related to schemes in use approved under Article 94(2), which considers only the amounts declared by survey respondents.

**Table 101 – SCO mapped in JTF in 2021-2027**

|                           |   | (1) % of OP budget covered | (2) Estimated OP budget covered at EU level (EUR bn) |
|---------------------------|---|----------------------------|--|
| Lower level               | SCOs mapped (in use + programmed)                   | 10.4%                      | 2.808  |
|                           | - of which: SCOs in use                             | 10.3%                      | 2.771  |
|                           | - of which: SCOs mapped <200k (in use + programmed) | 1.6%                       | 0.421  |
|                           | - of which already reimbursed to beneficiaries      | 0.5%                       | 0.147  |
| Upper level Article 94(2) | SCOs mapped* (in use + programmed)                  | 2.3%                       | 0.340  |
|                           | SCOs in use   | 2.2%                       | 0.313  |

SCOs under JTF use approximately 10% of the JTF budget (over EUR 2.8 billion). Based on data from respondents, a significant portion of the expected impact at the end of the programming period is linked to existing schemes. This suggests the effort required to define new SCOs by programme authorities is largely complete. Expenditure already reimbursed covered by SCOs (0.5%, or EUR 147 million) seems to confirm some delay in implementation of the 2021-2027 funds. This suggests the benefits of reduced costs and administrative burden will only be felt as financial absorption of the programmes progresses. Small operations cover EUR 0.4 billion of the EUR 3 billion total.

The table below shows SCO use at Member State level. The first column shows the percentage of JTF budget covered at the lower level. The second column details the portion of lower level SCOs for operations under EUR 200 000, providing an estimate of

the impact of mandatory SCOs for small operations. The third column displays the share of total budget covered by schemes approved under Article 94(2),

Member States that did not complete the questionnaire are marked in the table as 'No reply,' while those that provided only partial responses (e.g., not supplying quantitative data on amounts) or submitted inconsistent responses (i.e., those that did not pass the quality check, see section 1.3) are marked as 'Partial.'

**Table 102 –SCO use in JTF in 2021-2027 by Member State**

| Member State | Lower level |                        | Upper level<br>Article 94(2) |
|--------------|-------------|------------------------|------------------------------|
|              | SCOs mapped | Of which SCOs<br><200k | SCOs mapped                  |
| AT           | 26.7%       | 26.7%                  | 26.7%                        |
| BE           | 7.3%        | 0.0%                   | 2.0%                         |
| BG           | No reply    | No reply               | No reply                     |
| CY           | 4.0%        | 0.0%                   | 3.5%                         |
| CZ           | 14.4%       | 0.2%                   | 0.0%                         |
| DE           | partial     | partial                | partial                      |
| DK           | 22.3%       | 0.0%                   | 0.0%                         |
| EE           | No reply    | No reply               | No reply                     |
| EL           | No reply    | No reply               | No reply                     |
| ES           | No reply    | No reply               | No reply                     |
| FI           | 39.8%       | 19.7%                  | 0.0%                         |
| FR           | 8.2%        | 0.1%                   | 6.4%                         |
| HR           | partial     | partial                | partial                      |
| HU           | 8.0%        | 0.0%                   | 0.0%                         |
| IE           | 8.3%        | 0.6%                   | 0.0%                         |
| IT           | No reply    | No reply               | No reply                     |
| LT           | 0.9%        | 0.0%                   | 0.9%                         |
| LU           | 54.0%       | 5.4%                   | 0.0%                         |
| LV           | No reply    | No reply               | No reply                     |
| MT           | 7.0%        | 0.0%                   | 0.0%                         |
| NL           | 18.0%       | 0.0%                   | 18.0%                        |
| PL           | 9.0%        | 0.7%                   | 0.0%                         |
| PT           | No reply    | No reply               | No reply                     |
| RO           | 0.9%        | 0.6%                   | 0.0%                         |
| SE           | 22.6%       | 1.9%                   | 0.0%                         |
| SI           | No reply    | No reply               | No reply                     |
| SK           | 1.0%        | 0.0%                   | 0.0%                         |

As seen in the table above, by the end of the 2021-2027 period two Member States are expected to cover more than 30% of their JTF budget using SCOs: Finland and Luxembourg. Luxembourg is the only Member State where SCO covers more than half the JTF budget (54%). Four Member States use SCOs, but for less than 5% of the budget: Cyprus, Lithuania, Romania and Slovakia.

### 7.3.1. Types of SCO used in 2021-2027

The table below illustrates the use of flat rate, unit cost and lump sum SCOs across Member States as the percentage of total programme budget expected to be covered by each type of SCO.

**Table 103 – JTF Type of SCO at the lower level in 2021-2027<sup>37</sup>**

| Member State  | Lower level        |             |             |
|---------------|--------------------|-------------|-------------|
|               | Budget covered (%) |             |             |
|               | Flat Rate          | Unit Cost   | Lump Sum    |
| AT            | 0.0%               | 26.7%       | 0.0%        |
| BE            | 5.3%               | 2.0%        | 0.0%        |
| BG            | No reply           | No reply    | No reply    |
| CY            | 0.5%               | 3.5%        | 0.0%        |
| CZ            | 6.9%               | 6.3%        | 1.3%        |
| DE            | partial            | partial     | partial     |
| DK            | 19.1%              | 3.2%        | 0.0%        |
| EE            | No reply           | No reply    | No reply    |
| EL            | No reply           | No reply    | No reply    |
| ES            | No reply           | No reply    | No reply    |
| FI            | 15.2%              | 12.9%       | 11.7%       |
| FR            | 1.8%               | 6.4%        | 0.0%        |
| HR            | partial            | partial     | partial     |
| HU            | 2.3%               | 5.7%        | 0.0%        |
| IE            | 8.3%               | 0.0%        | 0.0%        |
| IT            | No reply           | No reply    | No reply    |
| LT            | 0.3%               | 0.6%        | 0.0%        |
| LU            | 0.0%               | 54.0%       | 0.0%        |
| LV            | No reply           | No reply    | No reply    |
| MT            | 7.0%               | 0.0%        | 0.0%        |
| NL            | 0.1%               | 17.8%       | 0.0%        |
| PL            | 7.1%               | 1.6%        | 0.3%        |
| PT            | No reply           | No reply    | No reply    |
| RO            | 0.9%               | 0.0%        | 0.0%        |
| SE            | 9.4%               | 11.2%       | 1.9%        |
| SI            | No reply           | No reply    | No reply    |
| SK            | 1.0%               | 0.0%        | 0.0%        |
| <b>TOTAL*</b> | <b>5.0%</b>        | <b>4.5%</b> | <b>0.9%</b> |

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

<sup>37</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

Among the Member States using SCOs, there are two predominant approaches. In nine Member States flat rates are the most commonly used, while in the other eight unit costs are more prevalent.

At EU level, flat rates have slightly more impact, covering 5% of the JTF budget, compared to 4.5% covered by unit costs. Lump sums are more limited, with only four Member States implementing them.

For SCOs at the upper level, as shown in the table below, all schemes covered under Article 94(2) of the CPR in the JTF relate to unit costs.

**Table 104 – JTF Type of SCO at the upper level in 2021-2027<sup>38</sup>**

| Member State | Upper level        |           |          |
|--------------|--------------------|-----------|----------|
|              | Budget covered (%) |           |          |
|              | Flat Rate          | Unit Cost | Lump Sum |
| AT           | 0.0%               | 26.7%     | 0.0%     |
| BE           | 0.0%               | 2.0%      | 0.0%     |
| BG           | No reply           | No reply  | No reply |
| CY           | 0.0%               | 3.5%      | 0.0%     |
| CZ           | 0.0%               | 0.0%      | 0.0%     |
| DE           | partial            | partial   | partial  |
| DK           | 0.0%               | 0.0%      | 0.0%     |
| EE           | No reply           | No reply  | No reply |
| EL           | No reply           | No reply  | No reply |
| ES           | No reply           | No reply  | No reply |
| FI           | 0.0%               | 0.0%      | 0.0%     |
| FR           | 0.0%               | 6.4%      | 0.0%     |
| HR           | partial            | partial   | partial  |
| HU           | 0.0%               | 0.0%      | 0.0%     |
| IE           | 0.0%               | 0.0%      | 0.0%     |
| IT           | No reply           | No reply  | No reply |
| LT           | 0.3%               | 0.6%      | 0.0%     |
| LU           | 0.0%               | 0.0%      | 0.0%     |
| LV           | No reply           | No reply  | No reply |
| MT           | 0.0%               | 0.0%      | 0.0%     |
| NL           | 0.1%               | 17.8%     | 0.0%     |
| PL           | 0.0%               | 0.0%      | 0.0%     |
| PT           | No reply           | No reply  | No reply |
| RO           | 0.0%               | 0.0%      | 0.0%     |
| SE           | 0.0%               | 0.0%      | 0.0%     |
| SI           | No reply           | No reply  | No reply |
| SK           | 0.0%               | 0.0%      | 0.0%     |

<sup>38</sup> In some cases, the total of the values reported in each row (i.e., the sum of the percentages for each type of SCO in a given Member State) may not precisely match the corresponding value for that Member State in the previous table. These discrepancies result from the rounding of decimal figures

|               |             |             |             |
|---------------|-------------|-------------|-------------|
| <b>TOTAL*</b> | <b>0.0%</b> | <b>2.3%</b> | <b>0.0%</b> |
|---------------|-------------|-------------|-------------|

\* The 'total' row displays the percentage of the budget covered by SCOs at EU level.

The 2021-2027 CPR Regulation allows different approaches at lower and upper levels for SCOs. For instance, SCOs approved under Article 94 can be used at the upper level, with a different type of SCO or even actual costs used at the lower level.

Survey data highlights that all schemes adopted under Article 94 have also been implemented at the lower level. The table below focuses on the lower level and highlights, for each Member State, the 'weight' of schemes approved under Article 94 in the financial flow to beneficiaries. The table shows the budget share covered by SCOs for beneficiaries, distinguishing between those exclusively for the lower level (Article 53) and those also used for payment requests to the Commission (Article 94).

For example in Cyprus, 4.0% of the JTF budget is covered by lower level SCOs, of which 0.5% are established through Article 53 and the remaining 2% through Article 94(2).

**Table 105 – JTF use of SCO at lower level under Article 53 vs Article 94 CPR**

| Member State | Lower level                             |                         |                         |
|--------------|---|-------------------------|-------------------------|
|              | Total SCO planned (Article 53 + 94 CPR) | Of which Article 53 CPR | Of which Article 94 CPR |
| AT           | 26.7%                                   | 0.0%                    | 26.7%                   |
| BE           | 7.3%                                    | 5.3%                    | 2.0%                    |
| BG           | No reply                                | No reply                | No reply                |
| CY           | 4.0%                                    | 0.5%                    | 3.5%                    |
| CZ           | 14.4%                                   | 14.4%                   | 0.0%                    |
| DE           | No reply                                | No reply                | No reply                |
| DK           | 22.3%                                   | 22.3%                   | 0.0%                    |
| EE           | No reply                                | No reply                | No reply                |
| EL           | No reply                                | No reply                | No reply                |
| ES           | No reply                                | No reply                | No reply                |
| FI           | 39.8%                                   | 39.8%                   | 0.0%                    |
| FR           | 8.2%                                    | 1.8%                    | 6.4%                    |
| HR           | No reply                                | No reply                | No reply                |
| HU           | 8.0%                                    | 8.0%                    | 0.0%                    |
| IE           | 8.3%                                    | 8.3%                    | 0.0%                    |
| IT           | No reply                                | No reply                | No reply                |
| LT           | 0.9%                                    | 0.0%                    | 0.9%                    |
| LU           | 54.0%                                   | 54.0%                   | 0.0%                    |
| LV           | No reply                                | No reply                | No reply                |
| MT           | 7.0%                                    | 7.0%                    | 0.0%                    |
| NL           | 18.0%                                   | 0.0%                    | 18.0%                   |
| PL           | 8.7%                                    | 8.7%                    | 0.0%                    |
| PT           | No reply                                | No reply                | No reply                |
| RO           | 0.9%                                    | 0.9%                    | 0.0%                    |
| SE           | 22.6%                                   | 22.6%                   | 0.0%                    |
| SI           | No reply                                | No reply                | No reply                |

|    |      |      |      |
|----|------|------|------|
| SK | 1.0% | 1.0% | 0.0% |
|----|------|------|------|

### 7.3.2. Specific objectives covered by SCOs in 2021-2027

The table below shows the distribution of SCOs across Specific Objectives identified through the JTF survey. The total is more than 100% because each SCO can cover multiple Specific Objectives.

**Table 106 – Coverage of JTF Specific Objectives by SCOs**

| Specific Objective                               | % of SCOs |
|--|-----------|
| JSO 8.1: Just transition fund specific objective | 99%       |
| Technical assistance                             | 9%        |

The great majority of SCOs (99%) are used for the JTF Specific Objective while 9% are for operations related to Technical Assistance.

### 7.3.3. Beneficiaries covered by SCOs in 2021-2027

The table below illustrates the distribution of SCOs among types of beneficiaries identified through the JTF survey. The total is more than 100% because each SCO can cover multiple beneficiaries.

**Table 107 – Beneficiaries reimbursed through SCOs for JTF operations**

| Type of beneficiary              | % of SCOs |
|----------------------------------|-----------|
| Municipalities/Local authorities | 63%       |
| Regional authorities             | 53%       |
| National authorities             | 45%       |
| NGOs/Associations                | 1%        |

The great majority (63%) are used for JTF operations implemented by municipalities or local authorities and 53% for operations implemented by regional authorities. Only 1% reimburse NGOs/associations.

### 7.3.4. Types of costs covered by SCOs in 2021-2027

The table below shows the distribution of SCOs among types of costs identified through the JTF survey. The percentages total more than 100% because each SCO can cover multiple costs.

**Table 108 – Coverage of JTF Specific Objectives by the SCOs**

| Type of cost                        | % of SCOs |
|-------------------------------------|-----------|
| Direct costs                        | 35%       |
| Indirect costs                      | 35%       |
| All costs of the operation          | 14%       |
| All eligible costs other than staff | 12%       |
| Only direct staff costs             | 5%        |

|                          |    |
|--------------------------|----|
| Travel and accommodation | 2% |
|--------------------------|----|

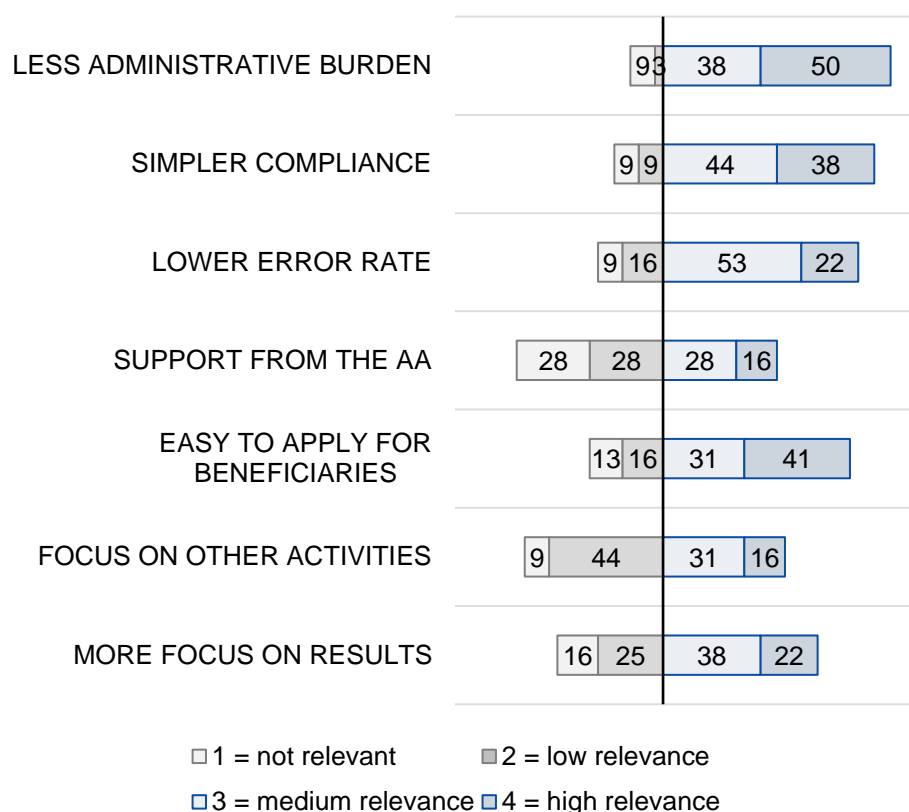
Over a third of the SCO schemes mapped (35%) cover direct and indirect costs. Schemes covering all operational costs account for 14%. Additionally, 12% of the schemes mapped under JTF use off-the-shelf flat rates provided under Article 56(1) CPR. Finally, 5% and 2% of the schemes mapped respectively cover direct staff costs (only) and travel/accommodation costs.

### 7.3.5. JTF programme authorities' perceptions of SCO

#### 7.3.5.1. Advantages and challenges related to SCO

This section presents qualitative inputs from respondents regarding advantages brought by SCOs as well as issues encountered when developing them. This section does not include an assessment of why programme authorities decided not to use any SCOs because all responses that passed the quality checked use them.

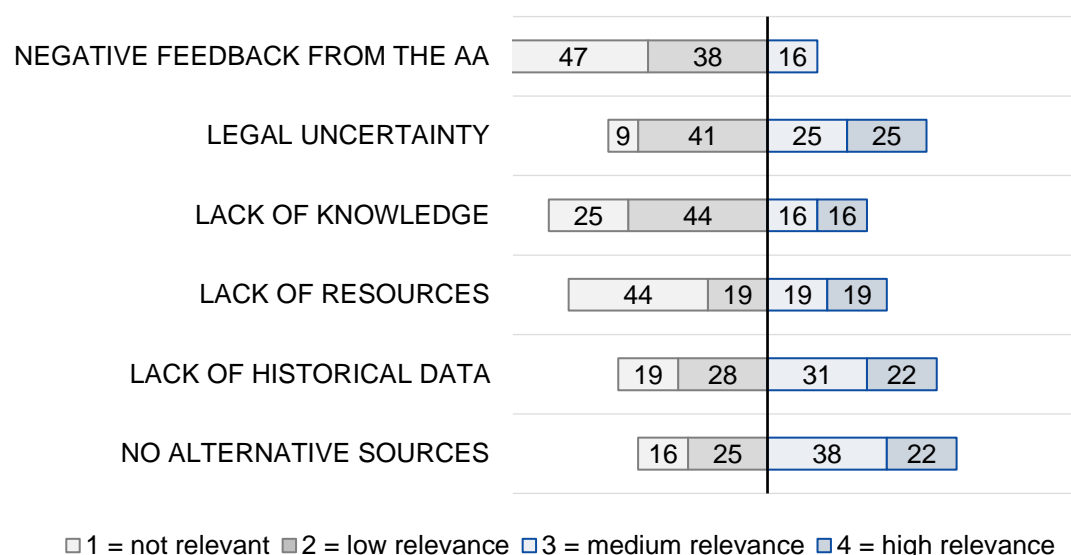
**Figure 49 - Advantages of SCO schemes for JTF programme authorities in 2021-2027 (values in %)**



The greatest advantage of SCOs for JTF programmes is the reduced administrative burden (for 50% of respondents this is highly relevant). This is followed by simplified compliance checking as well as an easier application process for beneficiaries. On the other hand, support from the audit authority was not relevant for 28% of the respondents.

The survey also mapped issues encountered by programme authorities when developing the SCO schemes, as seen in the figure below.

**Figure 50 - Challenges faced in developing SCO schemes for JTF programme authorities in 2021-2027 (values in %)**

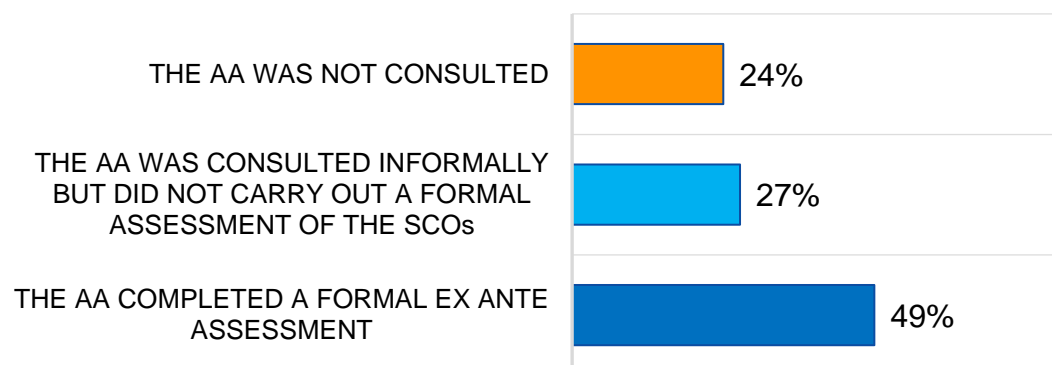


For JTF programme authorities, legal uncertainty related to SCOs is the most relevant issue (highly relevant for 25% of respondents). This is followed by a lack of alternative sources, historical data and resources. Many respondents (47%) acknowledged that negative feedback from the audit authority was not an issue.

### 7.3.6. Involvement of the audit authority in defining SCOs

The figure below presents the involvement of the audit authority in the definition of the SCO schemes developed under JTF. It is noteworthy that the figures reflecting the involvement of AA in the development of SCO schemes during the 2021-2027 programming period pertain exclusively to schemes used at the lower level. For schemes at the upper level, it should be emphasized that all schemes approved under Article 94 require a formal assessment by the AA.

**Figure 51 - Audit authority involvement in the definition SCOs under JTF in 2021-2027**

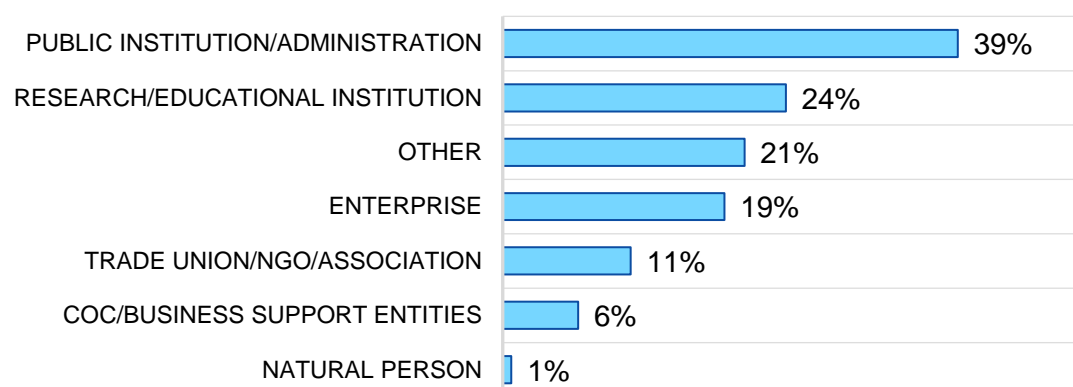


For many SCO schemes developed under JTF, the audit authority completed a formal ex-ante assessment (49%).

## 7.4. REGIO Fund beneficiary perceptions of SCOs

The survey of beneficiaries was conducted through July and August 2024 and resulted in 818 complete answers from respondents who benefited from ERDF/CF/Interreg/JTF funding. The figure below shows the types of beneficiaries responding to the survey.

**Figure 52 – Types of REGIO Funds beneficiaries who responded to the survey**

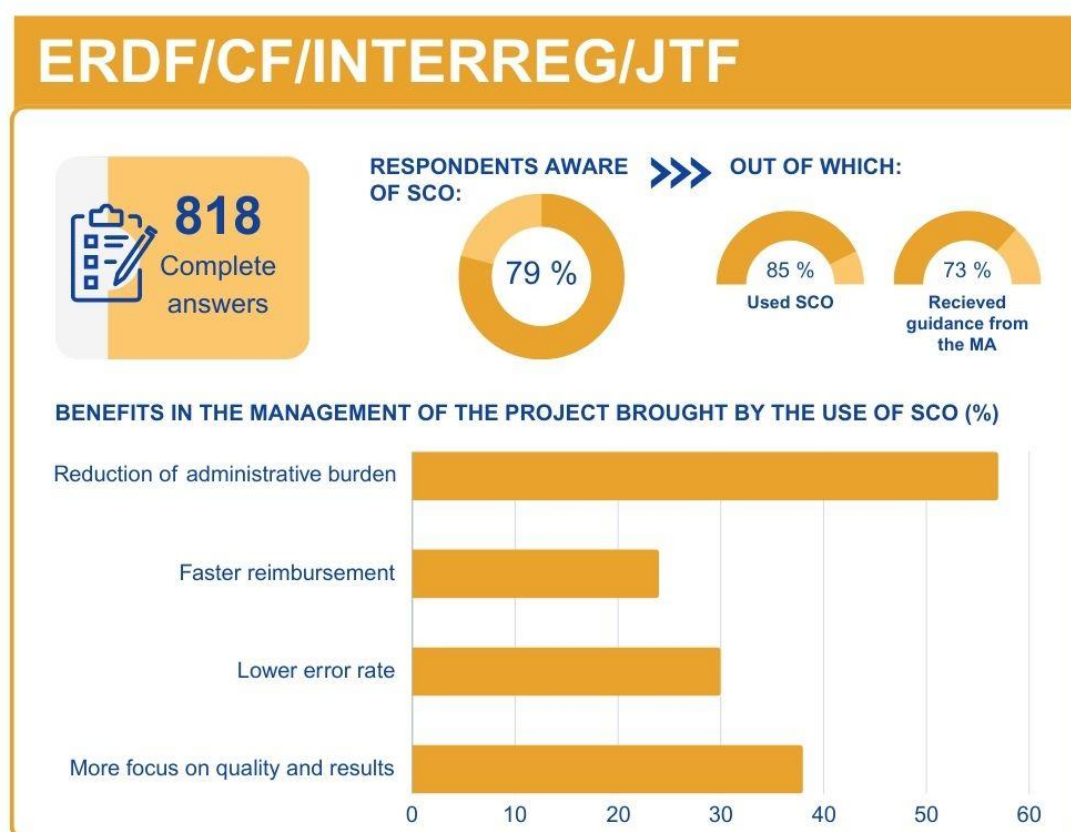


Almost 40% of the respondents were public institutions/administrations. In addition, respectively 24% and 19% of the respondents were research/educational institutions and enterprises. 'Other' includes cultural institutions and foundations.

The factsheet below presents survey data and shows that the great majority of respondents (79%) were aware of SCOs (there were no responses on FNLC). Of those, 85% used SCOs, while 73% received training, workshops, or guidelines from the managing authority explaining SCOs.

90% of the REGIO funding beneficiaries who completed the survey and used SCOs declared they benefit project management. Reduced administrative burden is the main benefit (57%), similar to programme authority inputs presented in previous sections. In addition, 38% of respondents agreed that SCOs enable more focus on the quality and results of the project.

**Figure 53 - Data collected through the survey concerning REGIO funding beneficiaries**



The analysis of responses to the open-ended questions on lessons learnt and recommendations to encourage the wider adoption of SCOs highlights a strong appreciation for SCOs. Most respondents noted that SCOs significantly simplify administrative processes and also enable a stronger focus on project results.

Regarding specific recommendations from beneficiaries of REGIO funds, some respondents suggested using the flat rate provided under Article 56.1 of the CPR. Other recommendations focused on technical aspects, such as ensuring regular adjustments to costs to avoid misalignment with inflation trends. Additionally, some respondents emphasised the need for more training and guidance from programme authorities.

The final section of the survey invited beneficiaries to share their views on barriers and obstacles limiting access to CPR Funds. According to REGIO fund beneficiaries, the main challenges include excessive administrative costs and an overly complex application process. In some cases, they also highlighted the difficulties NGOs and small organisations had in covering pre-financing and co-financing requirements of projects.

## 8. Annex – questionnaires

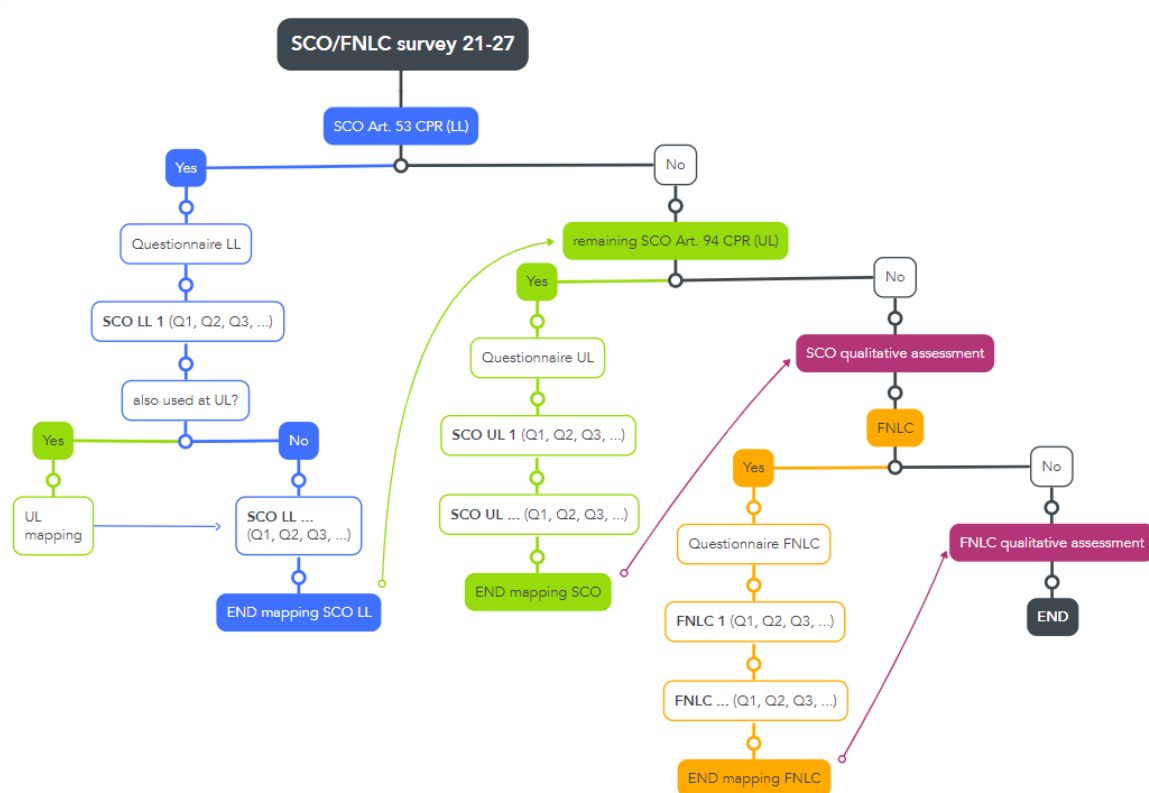
Below are key components of the 13 web questionnaires. Five questionnaires assess the uptake of SCO/FNLC during the 2014-2020 programming period (ERDF/CF, ESF, EAFRD, EMFF and Multifund) and eight questionnaires cover the current 2021-2027 programming period (ERDF/CF, ESF+, JTF, AMIF, BMVI, EMFAF, ISF and Multifund).

Two sets of questions address different levels of reimbursement. One for SCO/FNLC at the lower level to reimburse expenditure from Member States to beneficiaries, in accordance with Article 53 of the CPR. The other set focuses on the upper level, reimbursement from the Commission to Member States as per Articles 94-95 of the CPR. As outlined in subsequent sections, the questionnaires for the 2014-2020 period generally exclude the upper level of reimbursement, with the exception of ESF. For ESF, the questions explore the use of Article 14(1) of Regulation (EU) 1304/2013 covering reimbursement from the Commission.

## 8.1. 2021-2027 questionnaire structures

The questionnaires mapping SCO/FNLC use for the 2021-2027 period have three sections: i) for SCOs at the lower level, ii) for SCOs at the upper level and iii) FNLC. These questionnaires are as similar as possible to those on SCOs in the 2014-2020 period. This eases the task for authorities completing both questionnaires (i.e. those responsible for programmes under both the 2014-2020 and the 2021-2027 programming periods). It also enhances data comparability across the two periods.

**Figure 54: Structure of 2021-2027 questionnaires**



The sequence for completing the questionnaire was:

1. Lower level SCOs, where Member States reimburse beneficiaries;
2. Upper level SCOs, where the Commission reimburses Member States;
3. FNLC schemes.

For each section, respondents enter the number of schemes used in the programme. The CPR does not define what constitutes a scheme. Therefore, the study team included examples and clarifications to help respondents understand the context and meaning of this query (see box below).

### Clarifications on 'number of schemes'

In the logic of the questionnaire, each 'SCO/FNLC scheme' must be attributed to a single indicator. This means that:

With several SCOs under the same operation, each is a separate SCO. For example, if your Programme combines two SCOs to reimburse the total cost of the operation – e.g., (i) unit cost to cover direct staff costs and (ii) 40% flat rate to cover all other eligible costs of operations – these are two schemes, requiring qualitative and quantitative information for each.

If the same SCO (e.g., a flat rate of 7% to cover indirect costs) is used across various measures/operations, it is a single SCO scheme.

The questionnaire was structured to collect data on schemes that are 'in use' or 'programmed'. Guidance and support ensured that respondents did not include information on SCOs that are merely 'under consideration'.

### Figure 55: Questionnaire for programme authorities

#### Key question on the no. of SCOs

Please indicate the total number of SCOs schemes within the programme, considering both those currently 'in use' and those 'programmed' for reimbursing the beneficiaries (lower level).

*Example: If the programme encompasses 8 SCO schemes already 'in use' and 4 SCO schemes that are 'programmed', the correct response for this question would be 12. Consequently, the IT platform will generate 12 pages, one for each SCO, to be filled in. The distinction between schemes that are 'in use' or 'programmed' will be addressed in the following questions, where you will be asked to specify the status for each individual SCO scheme.*

Please remember that:

- 'In use' implies that the scheme has already been adopted or included in a call for proposals.
- 'Programmed' indicates that the scheme is currently under development or fine-tuning and will be used in future calls.

If the Managing Authority intends to use an SCO scheme, but has not yet initiated any type of action/preparations in this regard, the SCO is out of the scope of this survey and should not be considered when compiling the questionnaire.

1

The web platform automatically generates a page for each scheme declared by a respondent, organised into three groups:

1. The type of SCO, where respondents select from options and sub-options to categorise each scheme accurately.
2. Details of measures, costs and beneficiaries covered by the SCO.
3. The amounts that each scheme covers.

**Figure 56: Questionnaire for programme authorities**

*Set of questions to identify the type of SCO*

Please indicate the type of SCO adopted/that will be adopted.

☒ Flat rate ☐ Unit cost ☐ Lump sum

Please indicate whether the SCO scheme is/will be used in combination with other SCO schemes.

☐ Yes ☐ No

For flat rate:

☒ Off-the-shelf options

☐ Flat rate for indirect costs up to 25% of direct costs, Article 54(c) CPR.

☐ Flat rates applied in schemes for grants funded entirely by the Member States for a similar type of operation, Article 53 (3)(d) CPR. Please specify which flat-rate and which scheme

☐ Flat rates applicable in Union Policies for a similar type of operation, Article 53 (3)(c) CPR. Please specify which flat-rate and which Union policy

☐ Fair, equitable and verifiable calculation method, Article 53 (3)(a) CPR.

☐ Draft budget, Article 53 (3)(b)

Please indicate

☐ Flat rate for indirect costs up to 7% of direct costs, Article 54(a) CPR

☐ Flat rate for indirect costs up to 15% of direct staff costs, Article 54(b) CPR

☐ Flat rate for travel and accommodation costs up to 15% of direct staff costs, Article 41(5) Interreg regulation

☐ Flat rate for direct staff costs up to 20% of direct costs other than direct staff costs, Article 55(1) CPR and/or Article 39.3 (c) Interreg Regulation

☐ Flat rate of up to 40% of direct staff costs to cover the remaining eligible costs, Article 56(1) CPR

**Figure 57: Questionnaire for programme authorities**

*Questions to identify measures and beneficiaries covered by the SCO*

Please indicate the specific objective to which the SCO practice refers/will refer:

|                                 |                                 |                                 |                                 |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <input type="checkbox"/> SO 1.1 | <input type="checkbox"/> SO 2.2 | <input type="checkbox"/> SO 2.8 | <input type="checkbox"/> SO 4.4 |
| <input type="checkbox"/> SO 1.2 | <input type="checkbox"/> SO 2.3 | <input type="checkbox"/> SO 3.1 | <input type="checkbox"/> SO 4.5 |
| <input type="checkbox"/> SO 1.3 | <input type="checkbox"/> SO 2.4 | <input type="checkbox"/> SO 3.2 | <input type="checkbox"/> SO 4.6 |
| <input type="checkbox"/> SO 1.4 | <input type="checkbox"/> SO 2.5 | <input type="checkbox"/> SO 4.1 | <input type="checkbox"/> SO 5.1 |
| <input type="checkbox"/> SO 1.5 | <input type="checkbox"/> SO 2.6 | <input type="checkbox"/> SO 4.2 | <input type="checkbox"/> SO 5.2 |
| <input type="checkbox"/> SO 2.1 | <input type="checkbox"/> SO 2.7 | <input type="checkbox"/> SO 4.3 | <input type="checkbox"/> TA     |

For each type of ERDF/CF operation covered by the SCO, please indicate to which policy objective the SCO is corresponding, indicating also the code for the intervention field dimension in Table 1 of Annex I of CPR. In case the SCO is/will be applied to the entire programme, please indicate "all types of operations".

☐ Policy objective 1. Please specify the relevant intervention code/s (from 001 to 037)

☐ Policy objective 2. Please specify the relevant intervention code/s (from 038 to 086)

☐ Policy objective 3. Please specify the relevant intervention code/s (from 087 to 120)

☐ Policy objective 4. Please specify the relevant intervention code/s (from 121 to 164)

☐ Policy objective 5. Please specify the relevant intervention code/s (from 165 to 169)

☐ Other codes related to policy objectives 1-5. Please specify the relevant intervention code/s (from 170 to 178)

☐ Technical assistance. Please specify the relevant intervention code/s (from 179 to 182)

☐ All types of operations

Please indicate the type(s) of beneficiaries which have used / will be using the SCO:

|  |   |   |
|--|---|---|
| <input type="checkbox"/> Micro-enterprises | <input type="checkbox"/> Regional authorities | <input type="checkbox"/> Households                                   |
| <input type="checkbox"/> SMEs              | <input type="checkbox"/> National authorities | <input type="checkbox"/> Health institutions                          |
| <input type="checkbox"/> Large enterprises | <input type="checkbox"/> Chambers of commerce | <input type="checkbox"/> Others. Please specify: <input type="text"/> |
| <input type="checkbox"/> Associations/NGOs | <input type="checkbox"/> Research centers     |   |
| <input type="checkbox"/> Municipalities    | <input type="checkbox"/> Universities         |   |

As outlined in the following section, for each SCO used or programmed at the lower level, the final part of the questionnaire probed whether the same scheme is also employed at the upper level, to claim reimbursement from the Commission. If so, respondents were then asked quantitative questions on the scheme's application at the upper level.

# Study on the uptake of Simplified Cost Options (SCO) and Financing Not Linked to Costs (FNLC) for the Common Provisions Regulation (CPR) Funds in the 2014-2020 and 2021-2027 programming periods

**Figure 58: Questionnaire for programme authorities**

*Set of quantitative questions aimed at gathering data on the amounts of budget covered by the scheme*

Please indicate the total amount of expenditure (in EURO) reimbursed so far by the Managing Authority to the beneficiaries using the concerned SCO (including EU and national co-financing). Please note that the symbol to separate the decimals is "." (example: 12500000.00)

1000.00 €

Please indicate how much of the total amount specified above is for operations under 200000 EURO, as required by Article 53(2) CPR

1000.00 €

Please indicate the total amount of expenditure (in EURO) that the Managing Authority expects to reimburse to the beneficiaries using the concerned SCO by the end of the programming period (including EU and national co-financing). The amount provided should include also the amount already reimbursed if the case. Please note that the symbol to separate the decimals is "." (example: 12500000.00)

1000.00 €

Please indicate how much of the total amount specified above will be for operations under 200000 Euro, as required by Article 53(2) CPR

1000.00 €

Was this SCO also used by the Managing Authority to claim reimbursement from the European Commission (i.e., upper level)? Please note that the question concerns each SCO scheme applying to both lower and upper level. For each SCO scheme covering both levels, information regarding reimbursement claimed by the Managing Authority to the Commission must be filled-in in this section, by answering 'yes' to this question.

☒ Yes

☐ Not yet, but it is programmed to be used in the future

☐ No, a different SCO scheme is used at upper level.

Please indicate

Please indicate the total amount of expenditure (in EURO) the Managing Authority claimed so far to the European Commission using the concerned SCO (including EU and national co-financing). Please note that the symbol to separate the decimals is "." (example: 12500000.00):

1000.00

Please indicate how much of the total amount specified above is for operations under 200000 Euro, as required by Article 53(2) CPR

1000.00

Please indicate the total amount of expenditure (in EURO) the Managing Authority expects to claim to the European Commission by the end of the programming period (including EU and national co-financing):

1000.00

Please indicate how much of the total amount specified above will be for operations under 200000 Euro, as required by Article 53(2) CPR

1000.00

The second part of the questionnaire was dedicated to SCOs exclusively used or programmed at the upper level. This focussed on schemes not covered in the first part, which addressed SCOs used at both lower and upper levels. If the programme includes any additional SCO solely at the upper level, the questions cover those schemes, using the same logic as for SCOs at the lower level.

**Figure 59: Questionnaire for programme authorities**

*Initial question of the second part of the survey*

Upper Level (Art. 94 CPR)

Does the program include additional SCOs that the Managing Authority used to claim reimbursement from the EC (upper level) but were not used for reimbursing the beneficiaries (lower level). Before continuing to the upper level section, please make sure that you have filled in the lower level section for all SCO schemes to reimburse the beneficiaries in your programme (both in use and programmed). Please be aware that the question also concerns SCO schemes elaborated from delegated acts (i.e., Art. 94.4).

☒ Yes ☐ No

In case you did not already put in place/plan to put in place an SCOs for the 2021-2027 period to reimburse the beneficiaries (Art. 53. CPR, lower level), please indicate below the total number of SCO schemes within the programme, considering both those currently 'in use' and those 'programmed' for reimbursing from European Commission to Managing Authorities (Art. 94 CPR upper level).

Please note that:

- 'In use' implies that
  - For SCO schemes developed by the Member State under article 94(2) CPR, the SCO included in Appendix 1 has been already approved by the Commission.
  - For SCOs adopted by the Commission under article 94(4) ("EU level SCOs"), a formal decision to use the concerned SCOs has been taken by the MA.
- 'Programmed' indicates that
  - For SCO schemes developed by the Member State under Article 94(2) CPR, the Managing Authority is developing or fine tuning the SCO proposal (to be) included in Appendix 1 of the programme (but not yet approved by the Commission).
  - For SCOs adopted by the Commission under Article 94(4) ("EU level SCOs"), the Managing Authority has already programmed the operation(s) to which the concerned SCO will be applied.

If the Managing Authority intends to use an SCO scheme but has not yet initiated any type of action/preparations in this regard, the SCO is out of the scope of this survey and should not be considered when compiling the questionnaire.

- Please be aware that the survey is designed to be completed for one SCO scheme (attributable to one indicator, e.g. unit cost per hour of direct staff) at a time.

Example: If the programme encompasses 8 SCO schemes already 'in use' and 4 SCO schemes that are 'programmed', the correct response for this question would be 12. Consequently, the IT platform will generate 12 pages, one for each SCO, to be filled in. The distinction between schemes that are 'in use' or 'programmed' will be addressed in the following questions, where you will be asked to specify the status for each individual SCO scheme.

In case you did already put in place/planned to put in place an SCOs for the 2021-2027 period to reimburse the beneficiaries (Art. 53. CPR, lower level), and filled in the first section, please indicate the remaining number of SCOs adopted under Article 94 CPR, including Delegated Acts (Article 94(4) CPR). In particular, we refer to the number of schemes for which information has not yet been provided, as these SCOs were not used to reimburse beneficiaries (Article 53 CPR, lower level).

Example: If your Programme adopted two SCO schemes under Article 94 of the CPR, and only one of these was also used under Article 53 CPR to reimburse beneficiaries, at this point you should have already provided information on the latter in the first part of this survey. In this context, the answer to this question would be 1.

1

The only differences between questions in the first and second parts were regulatory references between Article 53 and Article 94 of the CPR 2021-2027. Similarly, the third part focusing on FNLC followed a comparable logic, beginning with an initial question where respondents quantified the number of FNLC schemes in use or programmed. The survey then asked for information on measures and beneficiaries covered by the FNLC, characteristics of the FNLC and the amount covered (see the figures below).

**Figure 60: Questionnaire for programme authorities**

*Qualitative questions on FNLC*

Please indicate what is the indicator used to trigger reimbursement

Please describe in more detail the specific conditions to be met or results to be achieved under the FNLC scheme. Additionally, please specify the unit of measurement for the conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission and type of documents used by the programme authority to verify the FNLC (audit trail). In the first column, please enter all the conditions that must be met for the refund to take place and results to be achieved, and in the second column the unit of measurement for the conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission and in the last column please specify the documents that have to be provided for verifications in the context of the audit trail, including the documents used to justify the results.  
*Example: if the indicator is "number of participants", the condition to be met is that the participants have taken the course, and the document to be provided for audit verifications is the attendance sheet.*

| Conditions to be met/results to be achieved | Unit of measurement for the conditions to be fulfilled/results to be achieved triggering reimbursement by the Commission | Document used to verify |
|---|--|-------------------------|
|   |  |                         |

Please provide additional information on the calculation method of the amount included in the FNLC scheme, in compliance with the principle of sound financial management, including a short description of the data adopted and key assumptions when determining the amount.

Characters used: 0 out of 500.

Did you set out an adjustment/update methodology for the FNLC? (E.g. automatic adjustment based on economic indicators)

☐ No ☐ Yes, please specify the indicator adopted:

Please provide more information about intermediate deliverables triggering reimbursement and the proposed timeline (envisaged date).

Characters used: 0 out of 500.

Was the audit authority consulted during the design of the FNLC scheme and did the Audit Authority carry out an ex ante assessment of the FNLC methodology?

☐ The Audit Authority was not consulted. Please specify the reasons why the audit authority was not consulted:

☐ The audit authority was consulted informally but did not carry out a formal assessment of the FNLC. Please provide a brief description of the consultations with the Audit Authority:

☐ The Audit Authority completed a formal ex ante assessment. Please provide a brief description of the audit authority assessment:

**Figure 61: Questionnaire for programme authorities**

*Quantitative questions on FNLC*

Please indicate the total amount of expenditure (in EURO) that the Managing Authority expects to claim to the European Commission (including EU and national co-financing) using the concerned FNLC by the end of the programming period. The amount provided should also include the amount already reimbursed if the case. Please note that the symbol to separate the decimals is "," (example: 12500000.00)

10000.00 €

Was this FNLC also used by the Managing Authority to reimburse the beneficiaries (i.e., lower level)?

☒ Yes ☐ Not yet, but it is programmed to be used in the future ☐ No. Please provide more details on the reasoning

Please indicate the total amount of expenditure (in EURO) reimbursed so far by the Managing Authority to the beneficiaries using the concerned FNLC (including EU and national co-financing). Please note that the symbol to separate the decimals is "," (example: 12500000.00)

10000.00 €

Please indicate the total amount of expenditure (in EURO) that the Managing Authority expects to reimburse to the beneficiaries using the concerned FNLC by the end of the programming period (including EU and national co-financing). The amount provided should include also the amount already reimbursed if the case. Please note that the symbol to separate the decimals is "," (example: 12500000.00)

10000.00 €

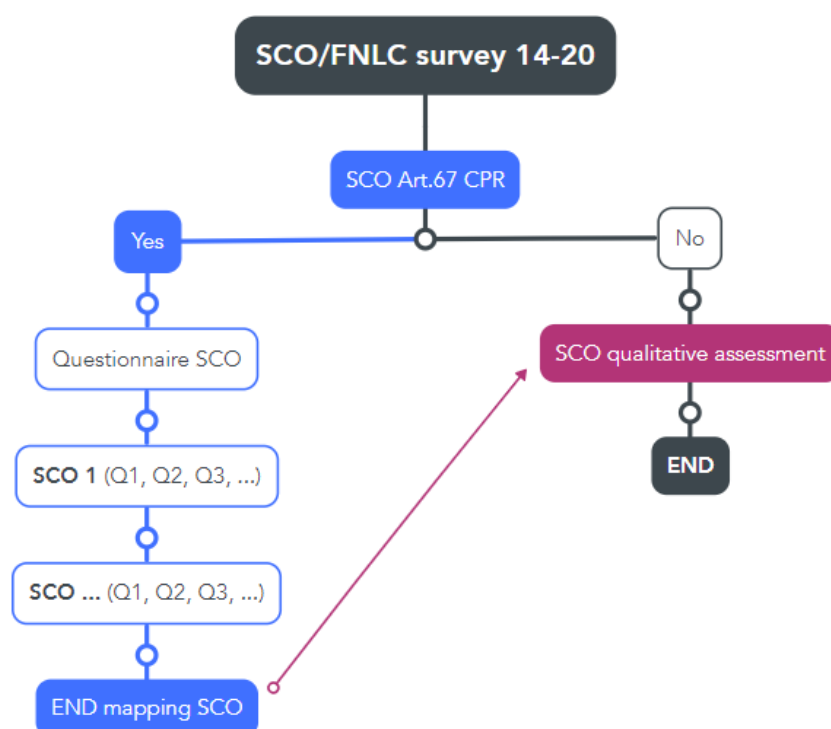
## 8.2. 2014-2020 questionnaire structures

The questionnaires mapping SCO use in 2014-2020 were a simplified version of the 2021-2027 questionnaires, since they did not include:

- a distinction between 'in use' and 'programmed' schemes,
- mapping SCOs at upper level, except for ESF.
- mapping of FNLC.

The structure of the 2014-2020 questionnaires (apart from ESF) is presented in the figure below.

**Figure 62: Structure of 2014-2020 questionnaires**



The questionnaires followed the same logic as the ones for 2021-2027. In each section, respondents were asked to specify the number of schemes implemented. Questions for each scheme were followed by a qualitative assessment. Both ERDF/CF and ESF questionnaires included a further question to map whether the SCO was used to claim reimbursement from the Commission under the FAST CARE package, as set out in CPR 2014-2020 Article 68(c). For the ESF questionnaire, an additional section mapped SCOs at Commission – Member State (upper) level covering SCO use under Article 14(1) Regulation 1304/2013, following the same structure.

Key differences between the questionnaires for different funds are the same as in the 2021-2027 questionnaires. For instance, for both EAFRD and EMFF it was important to concentrate data collection on SCOs in ‘investment measures’ (i.e. EAFRD non-IACS measures), avoiding predefined amounts for ‘surface or compensation measures’.

The table below covers the questionnaires and was the basis of the web survey.

**Table 109 – Links to the questionnaires**

| Questionnaire | Link to the web survey  |
|---------------|---|
| AMIF          | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/AMIF_21-27.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/AMIF_21-27.pdf</a> |

| Questionnaire       | Link to the web survey  |
|---------------------|---|
| BMVI                | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/BMVI_21-27.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/BMVI_21-27.pdf</a>       |
| EAFRD               | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/EAFRD_14-20.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/EAFRD_14-20.pdf</a>     |
| EMFAF               | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/EMFAF_21-27.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/EMFAF_21-27.pdf</a>     |
| EMFF                | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/EMFF_14-20.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/EMFF_14-20.pdf</a>       |
| ERDF/CF 2014-2020   | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/ERDF_CF_14-20.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/ERDF_CF_14-20.pdf</a> |
| ERDF/CF 2021-2027   | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/ERDF_CF_21-27.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/ERDF_CF_21-27.pdf</a> |
| ESF                 | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/ESF_14-20.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/ESF_14-20.pdf</a>         |
| ESF+                | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/ESF_21-27.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/ESF_21-27.pdf</a>         |
| ISF                 | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/ISF_21-27.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/ISF_21-27.pdf</a>         |
| JTF                 | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/JTF_21-27.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/JTF_21-27.pdf</a>         |
| Multifund 2014-2020 | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/MULTI_14-20.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/MULTI_14-20.pdf</a>     |
| Multifund 2021-2027 | <a href="https://www.t33.it/resources/383_SCO_FNLC_mapping/MULTI_21-27.pdf">https://www.t33.it/resources/383_SCO_FNLC_mapping/MULTI_21-27.pdf</a>     |

### 8.3. Structure of the questionnaire for beneficiaries

The questionnaire to gather beneficiaries' perceptions of SCO and FNLC was structured to minimise the time required to complete it, while ensuring it captured their perceptions and experience. Following the initial identification section, the questionnaire had a preliminary general question to ascertain whether the respondent is aware of what SCOs and FNLC entail. The box below outlines the questions regarding SCOs and FNLC for both programming periods.

#### Box 6 Beneficiary questionnaire on SCOs and FNLC

Name of the respondent

Email

Please select the EU Fund you have benefited from

Please indicate during which programming period you have benefited from such Fund:

Name of the Programme you benefited from:

What type of beneficiary are you?

Are you aware of the possibility to claim expenditures through simplified methods – such as SCO and FNLC – in the context of CPR Funds? (YES/NO)

Did you use any SCO/FNLC for the programming period (2014-2020 or 2021-2027)? (YES/NO)

Did the managing authority/intermediate body explain SCO/FNLC to you by providing training, workshops, or guidelines? (YES/NO)

Please describe the type(s) of project(s) where the SCO/FNLC was used (OPEN QUESTION)

Please indicate the type of SCO/FNLC adopted (OPEN QUESTION)

Please indicate the types of categories of cost covered by the SCO/FNLC (OPEN QUESTION)

Please indicate the estimated percentage (%) and amount (in EURO) of grants received as beneficiary of one of the Funds covered by SCO/FNLC (OPEN QUESTION)

Did/do the use of SCO/FNLC bring any benefit in the management of the project? (YES/NO). If yes, please specify (OPEN QUESTION)

What lessons learnt / recommendations would you like to share to facilitate wider use of SCO? (OPEN QUESTION)

In your experience, have you encountered any barriers/obstacles that hindered the access to EU Funds? (YES/NO). If yes, please specify (OPEN QUESTION)

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