



Brussels, 10.4.2019
C(2019) 2646 final

COMMISSION DECISION

of 10.4.2019

**authorising the use of unit costs for declaring personnel costs for the work carried out
by volunteers under an action or a work programme**

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THE EUROPEAN COMMISSION,

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

Having regard to the Treaty establishing the European Atomic Energy Community,

Having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union¹, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012, and in particular Articles 125 and 181 thereof,

Whereas:

- (1) Allowing the value of the work of volunteers to be declared as eligible co-financing does not involve the reimbursement of any costs and will have no impact on the budget of the Union.
- (2) In accordance with Article 181 of Regulation (EU, Euratom) 2018/1046, beneficiaries may declare personnel costs for the work carried out by volunteers under an action or work programme on the basis of unit costs
- (3) In order to avoid that beneficiaries set their own value to the work of volunteers and to avoid proliferation of methods, rates and the possibility of errors, it is necessary specify unit costs that can be used by the beneficiary to declare volunteer costs. As the beneficiary provides no remuneration for the work of volunteers, a notional value should be determined for that work.
- (4) The use of unit costs to determine the notional value of volunteers' work and consequently the level of co-financing which can be provided through volunteers' work by the beneficiaries should therefore be authorised.

¹ OJ L 298, 26.10.2012, p. 1

HAS DECIDED AS FOLLOWS:

Sole Article

The use of eligible personnel costs declared by recipients of Union funds on the basis of unit costs is authorised for actions or work programmes, for the reasons and under the conditions set out in the Annex.

Done at Brussels, 10.4.2019

For the Commission
Günther H. OETTINGER
Member of the Commission



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ANNEX

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to the

Commission Decision

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ANNEX

1. Form of Union contribution and categories of costs covered

Where the relevant call for proposals or invitation to submit a proposal for a grant to be awarded without a call for proposals¹ allows for the work performed by volunteers to be considered as acceptable co-financing, such co-financing shall be considered as eligible personnel costs in accordance with Articles 181, 186 and 190 of Regulation (EU, Euratom) 2018/1046, and shall take the form of unit costs.

The unit costs shall not cover any actual costs which might be incurred and paid by the beneficiary, such as insurance, social security, travel or subsistence costs. Any such categories of costs associated with the work of volunteers can be declared and reimbursed separately in accordance with the rules laid down in the relevant basic act and call for proposals.

The amounts of the unit costs to be used by the beneficiary as the basis for declaring such eligible personnel costs are set out in point 3.

As the work performed by volunteers may be considered as an eligible personnel cost, and therefore as an eligible direct cost, it may be included in the basis for calculating indirect costs, in accordance with Article 181(6) of Regulation (EU, Euratom) 2018/1046. The relevant call for proposals or invitation to submit a proposal for a grant shall specify whether or not the volunteer costs can be included in the basis for calculating the flat rate. However, where this is not mentioned in the call for proposals or the invitation to submit a proposal for a grant, it shall not be possible to include the volunteer costs in the basis for calculating the flat rate for indirect costs.

2. Justification

The objective of the valuation of volunteers' work is to reduce the funding gap which can prevent some organisations from applying for EU funding. The system chosen should be usable by both programme managers and beneficiaries, and based on reliable data.

As the work of volunteers is by definition unpaid, it is impossible to assign an actual cost to the work of volunteers. Therefore, unit costs are necessary to assign a notional value for the work of a volunteer in a fair and equitable manner.

In view of the difficulty in developing and justifying unit costs covering different operations under different programmes, the Commission has defined unit costs that can be applied in any Member State or third country and across any programme, where authorised by the call for proposals or the invitation to submit a proposal for a grant. The unit costs reflect, on the one hand, the need for a simple and transparent system that beneficiaries and programme managers can easily apply with, on the other hand, a demonstrable link with remuneration levels in the relevant countries, taking into account, however, that the unit costs will not reimburse any actually incurred costs.

2.1. Nature of the supported actions

"Volunteer" means a person working on a non-compulsory basis for an organisation without payment. Actions to be supported are any actions funded by a grant from the Union budget. Such actions can take place in any EU/EEA Member State or in third countries

¹ In accordance with the exceptions allowed under Article 195 of Regulation (EU, Euratom) 2018/1046

Not all actions will use these unit costs. They can only be used where the relevant call for proposals of the action, or invitation to submit a proposal for a grant, has specifically mentioned that beneficiaries can declare the value of the work carried out by volunteers as eligible costs. In this case, the relevant call/invitation will also stipulate that the beneficiaries shall declare such costs on the basis of the unit costs authorised by this Decision.

The use of unit costs simplify, streamline and reduce the time needed for the financial management of projects, both at programme management and beneficiary levels. Furthermore, it ensures predictability of the co-financing to be provided by the beneficiaries. The use of unit costs based on a daily rate, with the possibility to also use hourly rates, also provides flexibility for operations with atypical working arrangements (for example, where volunteers do not participate on a full-time basis).

2.2. Risks of irregularities and fraud and costs of control

The unit costs authorised by this Decision are a proxy of the value of the work of a volunteer. The unit costs do not cover real expenditure incurred by beneficiaries in implementing actions. Therefore, from the perspective of reimbursement of eligible costs, there is limited risk of irregularity or fraud in using these unit contributions.

To mitigate the risk that the number of volunteers is inflated, Article 186 of the Financial Regulation states that a union grant shall be limited to the estimated eligible costs other than those covering volunteers' work. In addition, Article 190 of the Financial Regulation limits the value of the volunteers' work to 50% of the funding sources of the action, including in-kind contribution.

In addition to the limitations for accepting volunteer costs imposed by the Financial Regulation, effective internal control procedures for the reporting of irregularities should be put in place. During the evaluation of applications, the adequacy and the relevance of volunteers' work that the beneficiary intends to assign to the action should be assessed against the planned outputs. The procedures for recording and verifying the time spent by volunteers on an action will be set out in the call for proposals/invitation to submit a proposal, and the grant agreement.

Unit costs are therefore considered appropriate in view of the limited risks of irregularities and fraud.

2.3. Justification on why an output or result-based approach is not possible or appropriate

The unit costs authorised are based on the time spent by the volunteer on the action. Since the activities on which the volunteers might be working cannot be defined in advance, time-based unit costs allow flexibility to cover all types of work by a volunteer on any action. For this reason, it is neither appropriate nor possible to define output or result based unit contributions, and a process-based unit cost covering a daily amount for the work of volunteers is considered the most appropriate form of unit cost.

3. Method to determine the amount of the Union contribution in the form of unit costs for the valuation of volunteers' work

3.1. EU/EEA Member States

In accordance with Article 181.4(c)(i) of the Financial Regulation, the unit costs covered by this Decision are based on the objective means of pre-existing unit costs for staff costs in Member States and third countries for the Erasmus+ programme.

The use of pre-existing staff unit costs are considered appropriate because the declared co-financing is treated as a notional staff cost incurred by the beneficiary. Because these unit costs will potentially cover projects in EU/EEA Member States and third countries, it is necessary to develop unit staff costs that cover the same countries. However, it is not possible to use actual data from beneficiaries (since these costs were not actually incurred). Moreover comparable statistical data on actual salary levels in these countries is not available. Therefore, pre-existing staff unit costs provide a simple and easy to apply system, while also making a link to remuneration levels in those countries. Even if the activities carried out by volunteers may not be related to the type of work for which the unit costs under Erasmus+ were originally set, this is acceptable since the unit costs will not reimburse any actually incurred costs while assigning a notional value for the work of the volunteer.

In accordance with Article 184 of the Financial Regulation, the methodology and the consequent amounts of the unit costs should be periodically assessed during implementation. Notwithstanding any possible assessment of the Erasmus+ methodology and rates, the methodology underpinning these unit costs should be assessed at the latest three years after the unit costs become applicable to ensure their continued relevance.

For EU/EEA Member States, the rates are based on staff costs under the *Programme, Strategic Partnerships actions* under Key Action 2 of the Erasmus+ programme. In establishing the unit costs, historical real cost data was extracted from completed multilateral projects under the Lifelong Learning Programme, with durations of between two and three year. These projects were funded by 2008, 2009 and 2010 Calls for Proposals in representative actions of the sector's programmes for Comenius, Erasmus, Leonardo, Grundtvig, as well as relevant transversal actions. Real staff costs of four different personnel categories were analysed and four groups of countries identified, based on GDP per capita expressed as a percentage of EU27 GDP. Then a unit cost per category per country group was defined, using the weighted real cost average for that staff category for that group of countries. The weighted real cost average was further discounted to 75% in order to ensure compliance with the principle of no-profit and co-financing of the beneficiaries (for the full methodology see [Annex VIII to Commission Decision C\(2013\)8550](#)).

The unit costs for this decision are based on the lowest of the four staff categories identified (Administrative staff). Commission Decision C(2013)8550 set only a daily rate for staff costs. To provide maximum flexibility for programme managers and beneficiaries, this Decision also allows the possibility to set an amount per hour, by dividing the appropriate daily rate by eight, which is the normal number of working hours for Commission staff. The amounts for EU/EEA Member States are set out in Table 1.

3.2. Third Countries

For third countries, the unit costs are based on pre-existing personnel unit costs for capacity building projects in all third countries under Erasmus+. The methodology used to set those unit costs was based on a sample of 66 closed Tempus IV projects 2008-2010 across 27 third countries. To determine a personnel unit cost for each third country and each personnel category (manager, RTT, technical personnel, administrative personnel), the methodology

established a link between the real personnel costs and the salary grids used for EU Delegation local personnel in the same years.

For each of the 27 third countries, the real personnel cost was matched against the group and grade which has the closest salary cost. After identifying the delegation salary group and grade across all 27 countries that are equivalent, or very close, to the real personnel cost of the four personnel categories, a selection exercise was performed to determine a single group and grade per personnel category to be applied across all third countries.

While only 27 third countries are represented in the 66 closed Tempus IV projects from 2008-2010, the methodology proposed herein for personnel unit costs is to be adopted for future capacity building projects which will have a much larger geographical spread. Since the personnel of these programmes will in the future be located across the globe, the personnel unit costs proposed have to be applicable to any country in the world. As there are 134 EU Delegations, the most practical approach was to create groups of third countries and allocate to each group a specific personnel unit cost for each of the personnel categories.

After testing different options, the approach selected was to design groups of countries for which the unit personnel cost (the arithmetic average of the reference points from the delegation salary grids of the countries in the group) per group and personnel category is close to the delegation real personnel cost of the countries in that group, while ensuring a small number of groups. The described borders of each group were set as such to limit the disparity between the unit personnel costs and the delegation personnel costs in each personnel category and across countries. For administrative personnel (which are the basis for these unit costs, the disparity was + 9%. As a result of this approach, the 126 third countries are categorised in four groups.

32 third countries that do not have an EU Delegation were added to the 126 countries above. For each of the 32 countries an association was made with another third country that does have an EU Delegation, in the same region and with a similar GDP per capita. The country without a delegation is then inserted into the same group as the country it is associated with.

The full methodology is available in [Annex III of Commission Decision C\(2014\)6158](#). The unit costs for this decision are based on Administrative Staff; the lowest of the four staff categories identified. The amounts for third countries are set out in Table 2.

Despite being based on the Erasmus+ methodology, the following deviations from either the original methodology or from the final rates published in the Erasmus+ Programme Guide were considered necessary:

- The lowest rate for Member States was increased to €47 because the lowest rate for Member States should not be lower than the average of the rates for third countries.
- The former Yugoslav Republic of Macedonia and Turkey have been grouped with the second group of third countries, instead of with the 4th group of Member States as in the Erasmus+ Programme Guide.
- A number of countries that were identified in the 2013 Commission Decision, but not included in the 1st group of third countries in the Erasmus+ Programme guide, have been inserted (e.g. Australia, Canada, Japan, United States of America).
- Switzerland was added as a third country (it was not included in Erasmus+).

- To provide maximum flexibility for programme managers and beneficiaries, the daily rate mentioned may be divided by eight to arrive at an hourly rate. Eight hours was chosen as it is the normal number of working hours for Commission staff.

Table 1: Amounts per volunteer per day for the EU/EEA Member States in which the activity takes place

Country	Amount per Day ² (EUR)
Denmark, Ireland, Luxembourg, Netherlands, Austria, Sweden, Liechtenstein, Norway,	157
Belgium, Germany, France, Italy, Finland, United Kingdom, Iceland	131
Czech Republic, Greece, Spain, Cyprus, Malta, Portugal, Slovenia	78
Bulgaria, Estonia, Croatia, Latvia, Lithuania, Hungary, Poland, Romania, Slovakia,	47

² In order to use a rate per hour, the daily rate may be divided by eight.

Table 2: Amounts per volunteer per day for the Third Countries in which the activity takes place.

Country	Amount per Day ³ (EUR)
Australia, Canada, Hong King, Israel, Japan, Kuwait, Macao, New Zealand, Qatar, United Arab Emirates, United States of America, Switzerland.	92
Albania, Angola, Antigua and Barbuda, Argentina, Barbados, Bosnia and Herzegovina, Brazil, Chile, Colombia, Comoros, Cook Islands, Dominica, Gabon, Grenada, Ivory Coast, Former Yugoslav Republic of Macedonia, Kosovo, Lebanon, Libya, Mexico, Montenegro, Nigeria, Peru, Saint Kitts And Nevis, Saint Lucia, Saint Vincent And the Grenadines, Sao Tome and Principe, Serbia, Seychelles, Thailand, Turkey, Ukraine, Uruguay, Venezuela, Zambia, Zimbabwe	45
Afghanistan, Azerbaijan, Bahamas, Bolivia, Burkina Faso, Cameroon, China, Congo, Costa Rica, Djibouti, Dominican Republic, Ecuador, El Salvador, Georgia, Guatemala, Guinea-Bissau, Haiti, Iran, Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Micronesia, Morocco, Mozambique, Namibia, Palestine, Panama, Papua New Guinea, Paraguay, Senegal, South Africa, Surinam, Swaziland, Russia, Trinidad and Tobago, Vanuatu	32
Algeria, Armenia, Bangladesh, Belarus, Belize, Benin, Bhutan, Botswana, Myanmar, Burundi, Cambodia, Cape Verde, Central African Republic, Chad, Congo – Democratic Republic of the-, Cuba, Korea (DPR), Egypt, Eritrea, Ethiopia, Equatorial Guinea, Fiji Island, Gambia, Ghana, Guinea, Guyana, Honduras, India, Indonesia, Kiribati, Kyrgyzstan, Laos, Lesotho, Liberia, Madagascar, Malawi, Malaysia, Maldives, Mali, Marshall Islands, Mauritania, Mauritius, Moldova, Mongolia, Nauru, Nepal, Nicaragua, Niger, Niue, Pakistan, Palau, Philippines, Rwanda, Samoa, Sierra Leone, Solomon, Somalia, South Sudan, Sri Lanka, Sudan, Syria, Tajikistan, Tanzania, Timor-Leste – Democratic Republic of, Togo, Tonga, Tunisia, Turkmenistan, Tuvalu, Uganda, Uzbekistan, Vietnam, Yemen	17

³ In order to use a rate per hour, the daily rate may be divided by eight.

4. Sound financial management and co-financing principles and absence of double financing

To ensure respect of sound financial management, the lowest amount of the published unit costs for staff costs in the relevant key action of Erasmus+ was chosen as a basis. This was considered appropriate considering that volunteering activities could involve a variable input, from administrative/secretarial to construction to medical staff. Therefore, as it would not be possible to cover all such categories with an average amount, the lowest rate of those available was chosen. This will not have an adverse impact on the beneficiary since the unit costs are not reimbursing costs incurred. Any eligible costs incurred by the beneficiary linked to the work of the volunteer, for example travel and accommodation, will be claimed separately as eligible costs.

To ensure continued relevance of the unit costs, the methodology and consequent amounts will be assessed at the latest three yearsd after they become applicable for actions.

As mentioned in section 2, there is little risk of over-declaration of co-financing because of the double limitation for accepting volunteer costs imposed by the Financial Regulation.

There is no risk of double financing because these unit costs shall not reimburse eligible costs.