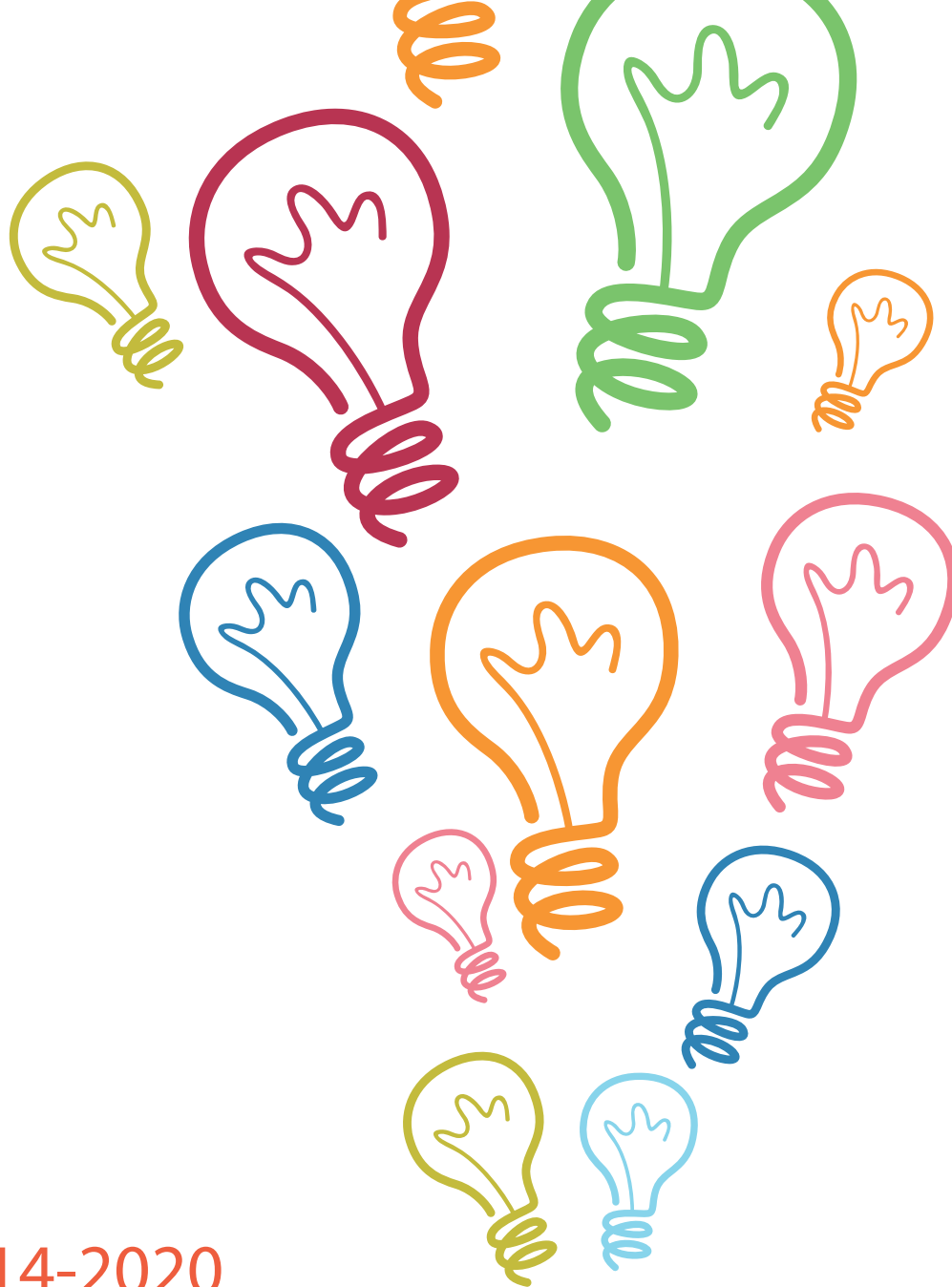


RETERURALE
NAZIONALE
20142020



Innovazione

PSR 2014-2020

Simplified costs for operational groups

Guidelines

14th september 2018

English version

**Simplified and reporting costs
of certain costs for participation in operational
groups**

Guidelines

14 September 2018

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Introduction

As partner of an operational group (OG) financed by the sub measures 16.1 and 16.2 of the RDP 2014-2020, a farmer or forestry may be committed in two types of actions: (1) co-development, adaptation and adoption of innovation at company level and (2) joint actions of OGs.

For the first type of action the farmer makes investment whose costs are eligible and reimbursable following reporting accompanied by appropriate documentation and evidence for the costs incurred.

The participation of the contractor to joint actions of the OG implies the use of financial resources and professional. Both concern the incurrence of costs related to the implementation of the actions, e.g. for food, travel and accommodation. While the latter concern mainly the Farmer's Skills and its temporary abstraction from the conduct of the holding.

Competences and time planning are the resources to be used, therefore, to be used by the OG, which, similarly to those of the other partners, should be exploited, through the definition of an economic return to be granted to the farmer.

Skills and time are the resources put, therefore, to common factor of the GO that, like those of other partners, it is appropriate to valorize, through the definition of an economic return to recognize to the farm.

This document provides guidance and methodologies for determining economic return that are recognizable to farmers for their commitment to joint actions of the OG and for the simplification of reporting on staff costs.

Chapter 1 of this document gives guidance on the precise identification of the joint actions of an OG in which farmers are engaged.

Details are given in Chapter 2 of this document for reporting these types of costs.

In Chapter 3), this document provides clarifications on the valorization of the economic return of farmers and guidelines for the calculation of unit standard costs on the basis of which the commitment to the OGs to joint actions should be recognized.

In Chapter 4), guidance is given as regards the simplification of the reporting of costs for the staffs of farms research organizations and universities participating in the OG.

For the purposes of applying the indications of this document, the term forest farmer includes any farmer, registered in the register referred to in Article 8 of Law No. 580 of 29 December 1993, who mainly carries out forest management activities, also providing services in the forest and environmental field as per Article 3, paragraph 2, letter q) of the consolidated law on forests and forest supply chains (legislative decree no. 34 of 3 April 2018).

The proposals are provided in response to the specific requests for simplification of the Managing Authorities (MAs) of RDP's and they are in line and complement the applicable European Union and

national rules, in particular article 68 of Regulation (EU) No.1303/2013 and the “Guidelines on the eligibility of expenditures related to rural development 2014-2020” (NRN, 2016).

This guidelines may be used for the recognition of an economic return for farmers participating in other forms of cooperation referred to under measure 16 of the 2014-2020 RDPs.

1. Joint actions from the OG and commitment of the agricultural and forestry farmer

Joint actions are those shared by the farmer with other partners of the OG and they are related to the interaction and achievement of the objectives of the OG and the dissemination of innovations.

For the identification of the common actions of the OGs, reference can be made to the indications already provided by the RRN in the "Guidelines on the eligibility of expenses related to rural development 2014-2020¹" and specified in the guidance documents for the monitoring and collection of information of the Operational Groups².

In particular, the following types of joint actions can be listed:

- Preparatory: relating to meetings in order to prepare the OG's project.
- Coordination and Animation: related to meetings between partners, the organization of events and the development of dissemination materials, including: multi-media materials, brochures, posters, dissemination events.
- Dissemination among farms, through meetings aimed at comparing and demonstrating innovations and their results, including: demonstration farms, farms' visits, meetings between groups of farmers.
- Dissemination and socialization of innovations and their results, through events organized by rural networks (national and European), the RDP's MA and other organizations.
- Monitoring and Reporting: relating to the monitoring and collection of documents for reporting eligible expenses.

In relation to the specific implementing provisions for RDPs and the commitments actually foreseen for the farmer in the various types of actions listed above,³ the RDPs' MAs may decide to recognize all or only some of them (e.g. monitoring and reporting activities might be recognized only to the project leader if they are specific to them).

The duration of joint actions of the OG recognizable to farmers can be defined by convention according to the following table:

Figure 1 — Duration of joint actions recognizable to farmers

¹ Reference is made to "the technical file No 6 indicative for the eligibility of expenditure for the categories of assistance to the European Partnership For Innovation (agricultural production and sustainability)".

² Reference is made to the documents proposed by the NRN: "Minimum information for the monitoring of the operational groups" and the "Model for collecting project information". Both documents are downloadable from the NRN portal to the web page on the useful tools for the OG and the Managing Authorities of the RDPs: <https://www.reterurale.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/16273>.

³ Administrations may also consider this opportunity in relation to the OG Cooperation Agreements.

<i>Territoriality</i>	<i>Duration of the event</i>	<i>Recognizable man days</i>
Event within the territory of competence of the RDP	1/2 -1 day	1 day
National event	1/2 -1 day	2 days
Foreign country event	1 and an half days; 2 days	3 days

The duration of the events and the man days proposed are estimated on the basis of an analysis of the historical data on the events organized by the National Rural Network and the European Network and they can therefore be reconsidered by the RDPs' MAs in relation to the specificities of the events in which farmers participate.

Man day per event includes an estimate of the duration of the event and of the roundtrip.

For the purposes of applying the calculation methods, man day of a farmer shall be treated as a worker's day to that of a worker or agricultural executive, equal to 6,3⁴ hours of daily work.

2. Expenses incurred by the farmer in the joint actions of the OG

The farmer's participation in the OG's events and actions (seminars, workshops, conferences, farm visits, demonstrations on farms and laboratory tests, ...) referred to in the previous paragraph may also bear indirect costs (such as heating costs, electricity, cleaning, rent, etc.) which may be allocated to the single action only by a specific criterion, and direct costs (travel, food and accommodation expenses).

In order to report on the first type of expenditure, it is possible to apply Regulation (EU) No 1303/2013 art. 68 (1) (a) and (b), through one of the following ways:

(a) the application of a flat rate up to 25% of eligible direct costs, provided that it is calculated on the basis of a fair, equitable and verifiable calculation method or a method applied under schemes for grants funded entirely by the Member State for a similar type of operation and beneficiary;

(b) the application of a flat rate of up to 15 % of eligible direct staff costs without an obligation on the Member State to perform a calculation to determine the applicable rate.

These are indirect costs calculated on a flat-rate basis for which no justification for expenditure is required.

The eligibility of expenditure is at the discretion of the management authority, which may decide to place constraints and limitations on some types of expenditure, as well as a maximum percentage, which in any case must be established on an objective and demonstrable basis.

For the reporting of the second type of expenditure directly chargeable to the farmer in order to carry out project activities, Regulation (EU) No 1303/2013, art. No 67, comma (1), letter (a) is applied: the actual

⁴The National Collective Labour Agreement for agriculture (NCLA).

costs incurred requiring evidence to be duly substantiated at the time of reporting by presenting appropriate supporting documents for expenditure.

3. Valorization of the commitment of the farmer to the OG

The commitment of the farmer to the joint actions of the OG can be recognized by the RDPs' MAs as equivalent to a contribution *in kind* (cf. the Regulation and the National Guidelines on Eligible Expenditure).

In the absence of real parameters, the consideration for the farmer to participate in the joint actions of the OG (see § above) can be calculated on the basis of a standard unit cost estimated in accordance with Article 67 of Regulation (EU) No 1303/2013 "Forms of grants and repayable assistance" and to "Guidelines on the eligibility of expenditure related to rural development 2014-2020", Annex 2 — "Application of simplified costs (SCO)" in EAFRD.

The standard unit cost calculation methodology must ensure the best approximation as possible of the value of the farmer's commitment in the OG actions. Therefore, when defining the standard unit cost account should be taken of:

- the contribution that the farmer makes to the good execution of the process of innovation and interaction within the GO, through the sharing of his practical knowledge, related to the experience in the field, and specific, as related to the business context and local implementation of innovation;
- loss of earnings, due to temporary distraction from the farm for during the joint action with the OG.

In the following paragraphs, four methodologies for the calculation of standard unit costs are proposed, which can be used to define the economic return payable to farmers for the implementation of joint actions of the OG.

The methodologies are proposed in accordance with the provisions of Article 67.5 of Regulation (EU) No.1303/2013:

- I. by a fair, equitable and verifiable calculation method;
- II. using the values identified for other EU policies, similar operations and beneficiaries.

In particular, the four methodologies proposed in this document concern:

- A. Standard cost based on the wage of the current national collective labour agreement and collective provincial labour agreements (reference to option I).
- B. Standard cost determined using values identified for other EU policies: Horizon 2020 (reference to option II).
- C. Standard cost determined using values identified for other EU policies: ERDF Operational Programmes 2014-2020 (reference to option II).
- D. Standard unit cost equal to the average conventional income used for contribution purposes (reference to option I).

Each RDP's MA may choose the methodology it considers to be more consistent with the objective of recognizing a reasonable economic value for the commitment of the farmer in the joint actions of the OG.

A. Standard cost based on contractual tariffs

The methodology proposed here for the definition of a standard unit cost is based on the wage tables of national collective labour agreement (NCLA) and provincials (PCLAs) applicable to the agriculture sector (option a.1) and the average daily gross wages of agricultural workers used for social security purposes (option a.2).

In defining the methodology, care was taken to apply principles of fairness, equity and verifiability⁵ and to identify objective data on the basis of calculations, which are verifiable by the beneficiaries, as it refers to normal cost accounting practices.

Justification for the methodological proposal

With regard to the methodology, it was decided to ensure the most fair and equitable economic treatment, which reflects, with the best approximation, the value of the commitment and contribution made by farmers in the joint actions of OGs.

Thus proposed, the standard unit cost provides for the recognition of the economic return expressed by the two components that, by convention, constitute the farmer's income:

- a) the profit, relating to the global management of the farm, which includes:
 - compensation for physical and intellectual activities related to the production processes and to the organization and management of the farm;
 - the financial interest on the capital invested in the business,
 - compensation for the risk taken by the entrepreneur as a result of his business activity.

b) wages or salaries, for manual work carried out in one's own farm.

In the absence of rules defining tariffs directly applicable to farmers or foresters for the remuneration of the two components of income, reference has been made both to the framework for regulating the negotiation of the agricultural sector and to the framework for regulating social security contributions applicable to it. They concern, separately, agricultural and horticultural workers (wage or salary component for manual labour) and farm executives (salary component for intellectual labour).

Moreover, in line with the regulations, reference has been made to the tariffs that ensure the best possible approximation of the economic return due to the farmer in terms of:

- proximity to the wage rates applied in the agricultural sector and at territorial level,
- inclusion of fees for both intellectual and manual activities,
- salary levels appropriate to the professionalism of the farmer, in view of the experience and practical knowledge he brings to the OG.
- uniformity of economic treatment of farmers, whether agricultural or forestry, at RDP level.

With option a.1 as to the substance of the proposed methodology, reference is made to the framework regulating the agricultural sector, which is structured around the two levels: national and provincial.

At national level, the National Collective Labour Agreement⁶ (NCLA) is applied to agricultural workers⁷ and regulates employment relationships between agricultural farms⁸ in an individual and associated form,

⁵ Article 67 (5) (a) of Regulation (EC) No 1303/2013.

⁶ The CCNL is for a four-year period and defines the system of relations between the parties, the regulatory and economic conditions relating to the different tasks of work, as well as the role and responsibilities of the provincial level of bargaining. The current contract, for a period of four years, is valid from 1 January 2017 and expires on 31 December 2021.

⁷ The national collective labour agreement applies, in particular, to agricultural holdings such as: fruit and vegetable holdings; olive farms; livestock and livestock holdings in animals of any species; fish farms and other aquatic organisms

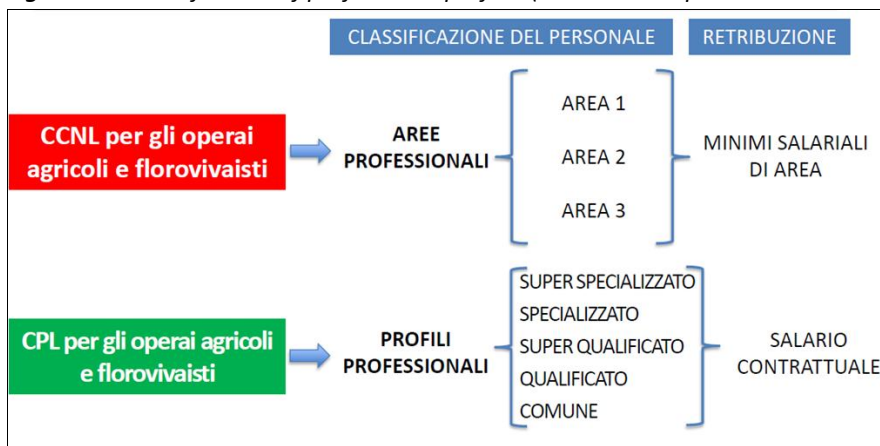
carrying on an agricultural activity, as well as related activities. The NCLA defines the minimum wage applicable to the three areas of classification of workers in agriculture (Figure 1)⁹.

At territorial level, the Provincial Collective Labour Agreements (PCLA) define the contractual wages for the different levels and class of professional profiles of agricultural workers. The definition of the contractual terms at provincial level was established with the aim of taking into account the trend of the territorial economy of the sector and the periodic renewal of the salary tables¹⁰.

As an alternative to the wage rates set out in the national and provincial collective agreements, and again with reference to the remuneration of the manual component of agricultural labour, option a.2 refers to the regulatory framework relating to the average wages determined at ministerial level for the purpose of calculating the social security contributions of agricultural workers.

For both options, the wage and salary values relating to the worker with the highest profile, i.e. 7th super-specialized level, are used.

Figure 2 — Classification of professional profiles (National and provincial collective labour agreements)



Finally, for the intellectual component, in both options, reference is made to the national collective labour agreement, which defines the salaries for executives of agricultural farms.

Sources of data underlying the calculations

The sources of the calculations for the calculations are as follows:

- a. Provincial Collective Labour Agreement (PCLA) in force at territorial level. They report the gross monthly wages for agricultural and horticultural workers¹¹. For calculation purposes, reference is made to the 7th level and super specialized qualification of permanent agricultural workers.
- b. the National Collective Labour Agreement (NCLA) for executives in agriculture, which sets the basic monthly salary for executives.

(aquaculture); wine producers; fungible companies; cheese making; tobacco farms; game and hunting establishments; agri-tourism undertakings; agricultural service and research companies.

⁸Reference is made to the definition in Article 2135 of the Civil Code and other applicable legal provisions.

⁹The definition of contractual terms at national level is aimed at safeguarding the purchasing power of wages, taking into account the overall trends in the economy and the labour market.

¹⁰The PCLA is defined, in accordance with the negotiating rounds, at an interim period of validity of the NCLA and is for a period of four years.

¹¹The amount of the wage shall be gross, i.e. inclusive, of contributions payable by the employee.

- c. the Decree of the Ministry of Labour¹² which, annually, establishes the average daily gross wages of agricultural workers for social security purposes. For the purposes of calculation, reference is made to the 7th level and super specialized qualification of permanent agricultural workers.

Elements for the calculation of the Standard unit cost

Elements for the calculation of the standard cost are:

- Regional average monthly wage¹³ of 7th level and super specialized permanent workers in agricultural and horticultural sector. The gross monthly wage is deductible from the PCLAs in force in the various provincial/regional areas.
- Average daily wage of of 7th level and super specialized permanent workers in agricultural sector. This remuneration is established annually by the Ministry of Labour Decree at provincial level.
- Gross basic monthly salary of executives in agriculture, set at € 4.250,00 in the National Collective Labour Agreement for Agricultural executives in force.
- Standard working time¹⁴, by convention, equal to 1.720 production hours per year, i.e. the maximum number of hours in which the farmer/owner of a SME has been involved in the implementation of project activities on a monthly basis¹⁵. The maximum number of productive hours per month is therefore equal to: 1.720/12= 143. On a weekly basis, production hours are 6,30 hours per day¹⁶.
- Correction coefficient relating to deferred charges (e.g. severance indemnity and social security contributions), equal to 33%¹⁷.

Option a.1) Methodology based on the use of PCLA wages scales and salary for agricultural executives

The formula for quantifying the standard unit cost per hour is as follows:

$$\frac{((\text{Average monthly wage by RDP territory} + \text{monthly salary rate for agricultural executive}) * 12 \text{ months}) / \text{Number of production hours per year} * \text{correction coefficient}}$$

Figure 3 — Example of calculation of standard unit cost based on option a.1

Types of remuneration	Monthly		Annual		Per hour
	<i>a</i>		<i>b=a*12</i>		<i>c=b/1720</i>
Wage for 7 th level specialized super worker	€	1.700,70	€	20.408,40	€ 11,87
Salary for managers in agriculture	€	4.250,00	€	51.000,00	€ 29,65
Remuneration at the base of the standard unit cost	€	5.950,70	€	71.408,40	€ 41,52

¹²The Decree of the Ministry of Labour in force for 2018 is N° 195 published on 11/05/2018.

¹³The amount of the wage shall be gross, i.e. inclusive of contributions payable by the employee.

¹⁴See Article 68 (2) of Regulation (EU) No.1303/2013.

¹⁵The basis of calculation is therefore ex-post and concerns each full financial year of the concerned reporting period. If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly rate of the last closed financial year available.

¹⁶As laid down in Article 30 of the CCNL (of 1 January 2017-31 December 2020).

¹⁷The methodology for the calculation of the coefficient is set out in Annex I.

The standard unit cost will be calculated by the remuneration per hour of euro 41,52 by the correction coefficient equal to 33%. The economic return will be obtained by multiplying the standard unit cost by the number of days (in hours) committed by the farmer in joint actions of the OG.

Option a.2) Methodology based on average daily wage of workers and executives in agriculture

The formula for quantifying the standard unit cost per hour is as follows:

$$\frac{((\text{average daily wage by RDP territory} * 6,30 * 39 * 52) + (\text{monthly salary rate for agricultural executives}) * 12 \text{ months}) / \text{Number of production hours per year} * \text{correction coefficient}}$$

Figure 4 — Example of calculation of standard unit cost based on option a.2

Types of remuneration	Daily	Monthly	Annual	Per hour
	<i>a</i>		<i>b=a/6,3*39*52</i>	
				<i>c=b/1720</i>
Average daily wage for 7th level specialized super worker	€ 77,59		€ 24.976,59	€ 14,52
Salary for managers in agriculture		€ 4.250,00	€ 51.000,00	€ 29,65
Remuneration at the base of the standard unit cost			€ 75.976,59	€ 44,17

The standard unit cost will be calculated by multiplying the remuneration per hour of euro 44,17 by the correction coefficient equal to 33%. The economic return will be obtained by multiplying the standard unit cost by the number of days (in hours) committed by the farmer in joint actions of the OG.

Practical/Administrative implications

- Both methodologies are consistent with the principle of proximity as they are based on wage and salary data applied at the provincial level. The definition of the average underlying the calculations allows the application of standard unit costs that are nevertheless homogeneous at the RDP level.
- The methodology of option a.1) provides for a longer period of validity of the reference data than the methodology of option a.2). For the latter, the data are defined on an annual basis.
- To obviate this, administrations can refer to the average of wages of agricultural workers established for the period 2014-2018 of euro 73,07, as calculated in Fig. 10 (Annex 2).
- The adoption of one of the methodologies requires, for administrations, “(omissis) a body that is functionally independent from the authorities responsible for the programme implementation and possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. A statement confirming the adequacy and accuracy of the calculations shall be included in the rural development programme”. Indeed, Article 62 (2) of Regulation (EU) No.1305/2013, as amended by Article 24 of the Omnibus Regulation¹⁸, quotes:

¹⁸ Regulation (EU) 2017/2393 of the European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No1306/2013 on the financing, management and monitoring of the common agricultural policy (EU)1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy (EU) No1308/2013 establishing a common organization of the markets in agricultural products and (EU) No652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material.

“Where aid is granted on the basis of standard costs or additional costs and income foregone in accordance with points (a) and (b) of Article 21(1), as regards income foregone and maintenance costs, and with Articles 28 to 31, 33, and 34, Member States shall ensure that the relevant calculations are adequate and accurate and established in advance on the basis of a fair, equitable and verifiable calculation method. To this end, a body that is functionally independent from the authorities responsible for the programme implementation and possesses the appropriate expertise shall perform the calculations or confirm the adequacy and accuracy of the calculations. A statement confirming the adequacy and accuracy of the calculations shall be included in the rural development programme.”

B. Standard cost determined using Horizon 2020 values

The European Research programme framework H2020 provides for the recognition of a contribution to cover the commitment of the owners of small and medium-sized enterprises (SMEs) who receive any remuneration to carry out project activities.

This contribution is part of the eligible costs of personnel and must be consistent with the parameters set out in Annex 2bis to the H2020 Model Grant Agreement: H2020 General MGA (Multi: v5.0 18.10.2017).

Justification for the methodological proposal

The use of values identified for the European research programme H2020 falls within the scope of the applicable European Union rules¹⁹ for the determination of standard unit costs and, in addition, justifiable, because:

- for similar types of beneficiaries,
- because uniform treatment would be guaranteed to agricultural/forestry farmers operating within the same implementing framework for the EIP-Agri at RDP level and who could, in principle, participate in both OGs and European research programmes and thematic networks funded by H2020.

However, it should be kept in mind that the standard unit cost used for H2020 is based on the average salaries of research staff calculated at European basis, which are likely to differ from the actual income levels of Italian farmers participating in OGs.

Elements for the calculation of the Standard unit cost

The elements for the calculation of the standard unit cost are:

- The applicable average applicable monthly rate calculated on the European salary average of a researcher²⁰. The monthly rate is EUR 4.880,00.
- The number of productive hours per month in which the farmer/owner of a SME has been involved in the implementation of project activities on a monthly basis²¹. By convention, standard working

¹⁹ Regulation (EU) No1303/2013 — Article67.5

²⁰ Monthly salary of teaching staff and researchers. This amount shall be calculated by the EC on the basis of salaries and the contribution rates in force, and shall take account only of the items falling within the basic university treatment. They do not include any personal allowances.

time is equal to 1.720 production hours per year or the time share for those who do not work full time. The maximum number of productive hours per month is therefore equal to: 1.720/12= 143.

- Corrective country-specific coefficient²². Specifically, in October 2017, the correction coefficient for Italy applicable to the H2020 work plan for the two-year period 2018-2020 is 106.7%.

Standard cost calculation methodology

On the basis of the values identified for the H2020 programme, the formula for quantifying the remuneration recognizable to the farmer for the hours actually worked in the joint actions of the OG is as follows:

$$(\text{monthly rate applicable} / \text{Number of monthly production hours}) * \text{Corrective country-specific coefficient} * \text{number of hours actually worked.}$$

Figure 5 — Example of calculation of the standard unit cost on the H2020 rate

Parameter	Calculation
Average monthly rate	Euro 4.880
Number of monthly production hours	143
Corrective coefficient Italy	106,70%
Standard unit cost	36,41

As a result, the standard nit cost recognizable per hour to the farmer in Italy is euro 36,41.

Operational/Administrative implications

The corrective country-specific coefficient for H2020 projects is calculated on the basis of the final accounts for each full financial year. This means that administrations need to take care to update the parameter to the financial year of the publication of the call/grant for the OGs.

Thus, if several calls are published during the implementation period of the RDP, administrations may have to apply different standard unit costs depending on the financial year of the publication of each call/grant for the OGs.

Alternatively, administrations may use an average of country-specific coefficients established during the period 2014- 2018.

²¹The basis of calculation is therefore ex-post and concerns each full financial year of the concerned reporting period. If a financial year is not closed at the end of the reporting period, the beneficiaries must use the hourly rate of the last closed financial year available.

²²The coefficient per Member State is updated by the updated EC in relation to the biennial work plans of the H2020 Programme.

C. Standard cost determined using the values established for Operational Programmes (ERDF and ESF) 2014-2020

Under the framework of the operational programmes 2014-2020 co-financed by European Regional Development Fund and European Social Fund (ESF), a contribution is envisaged to cover the commitment of the workers of the farms that carry out project activities.

Justification for the methodological proposal

The use of values identified for other EU policies, and therefore specifically for the OPs 2014-2020, is foreseen by the applicable EU legislation²³ and guidelines.

In the “Guide to Simplified Options on Costs”²⁴, the EC recommends using simplified costs when SCO methods already exist for similar types of operations and beneficiaries under a nationally funded scheme or under another EU instrument.

The standard unit costs used in the OPs 2014-2020 are established by the MIUR/MISE in the document ‘Calculation methodology for the application of unit standard cost scales for reporting staff expenditure in research and experimental development projects financed by MIUR and MISE under the respective ERDF Operational Programmes 2014-2020’.

The document, already shared with the EC-DG Regio representatives, has been drawn up by a joint working group of the Managing Authorities of the National Operational Programmes “Research and Innovation” 2014-2020, “Enterprise and Competitiveness” 2014-2020 and the Agency for Territorial Cohesion.

As Audit Authority of the two above-mentioned OP, the Audit and Control Unit of the Territorial Cohesion Agency –NUVEC has taken part, as independent observer, to the working group.

As reported in the document itself, the definition of standard unit costs was based on ‘a fair, equitable and verifiable calculation method based on statistical or other objective information, or historical data verified by individual beneficiaries, or on the application of the normal cost accounting practices of individual beneficiaries’ (see Article 67.5. a) Reg. 1303/2013²⁵.

The determination of the standard unit costs was achieved through the statistical analysis of historical data relating to the certified expenditure of the reported personnel for a certain number of programmes carried out in the period 2009 - 2016 and similar, in terms of industrial research and experimental development activities, nature and beneficiaries, to the interventions of the current programming period 2014-2020²⁶.

²³ Regulation (EU) No 1303/2013 — Article 67.5.

²⁴ Reference is made to EGESIF_14-0017, which can be downloaded from the web page: http://ec.europa.eu/regional_policy/it/information/publications/guidelines/2014/guidance-on-simplified-cost-options-scos-flat-rate-financing-standard-scales-of-unit-costs-lump-sums.

²⁵ The same document refers to possible updates of the standard unit costs during the programming period. Indeed, ‘the working group undertakes that the cost parameters identified can be reviewed periodically in order to assess whether they are consistent over time’.

²⁶ The above data have been collected through the CINECA system, which manages the management applications in which the technical and technical and accounting documents of the projects belonging to the Ministry of the Ministry of the Ministry of Education and the Ministry of Economic Development have been received.

Specifically for the standard unit cost for the "Enterprise" category of beneficiaries, the historical data on certified personnel expenditure reported in the MIUR-MISE projects have been validated with the tariffs applicable under more than 60 national collective agreements for the years 2013, 2014 and 2015. These also include the national collective agreement (NCLA) applicable to the agricultural sector. In order to take into account the deferred and reflected charges (e.g. social and security contributions), a corrective coefficient has been applied to the wages tables indicated in the individual national collective labour agreements, which has been defined on the basis of the current legislation.

Please note, however, that the three NCLA most used for carrying out the research projects are the ones for the "Metalmechanics", for "Chemistry" and for the "Trade and service sector" which, in total, were used for around 80 % of the total sample at the base of the methodology.

Elements for the calculation of the Standard unit cost

The joint document MIUR-MISE provides the unit standard costs per hour relating to farm's staff and broken down by levels:

- High, for executives— EUR 75
- Medium, for managers — EUR 43
- Low, for workers — EUR 27

The formula for the quantification of the economic return recognizable to the farmer for the hours actually involved in the joint actions of the OG is the following: (standard unit cost * number of hours actually worked).

Operational/Administrative implications

Administrations will be able to decide on the level to which they refer for the farmers who are partners of the OGs.

The Interministerial Committee (MISE-MIUR) provides for the updating of standard unit costs, so the administrations will have to check whether the basic data are revised when calculating the economic return for the farmer's commitment.

D. Standard cost determined using farmer's conventional income

The standard unit cost per hour may be represented by the average conventional income used to calculate the contributions IOS (invalidity, old age and survivors) due from farmers.

The average conventional income is established on a national and annual basis with the Decree of the Director-General for Social Security and Insurance Policies of the Ministry of Labour and Social Policy and in agreement with the professional organizations.

This conventional average income is determined on the basis of average daily earnings in agricultural income of land carried on and/or from farm livestock²⁷.

Justification for the methodological proposal

The standard of conventional income corresponds to the principle of fairness, as it is the best approximation to an economic treatment that is already in use for farmers and it is determined in concert with professional organizations.

It also complies with the principle of verifiability, as it has a legal basis, since it is established by ministerial decree and is based on the agricultural incomes of farmers.

Elements for the calculation of the Standard unit cost

The Decree issued by the Decree of 11/05/2018 n.195 of the Director-General for Social Security and Insurance Policies at the Ministry of Labour and Social Policy establish the average conventional income for 2018 of euro 57,60.

Operational/Administrative implications

Conventional income is determined on a yearly basis. This implies that administrations need to take care to update the parameter to the financial year of the publication of the call/grant of the OGs.

Thus, if several calls are published during the implementation period of the RDP, administrations may have to apply different standard unit costs depending on the financial year of the publication of each call/grant for the OGs.

Alternatively, administrations may use the average of the conventional incomes established for the years 2014 to 2018, which is equal to euro 56,2 (Figure 11 in Annex 2).

²⁷ Ref. first paragraph of Article 28 of Presidential Decree of 27 April 1968 n.488

4. Reporting of the staff costs of partners involved in the OG's activities

Part of the partners' contribution to the OG's innovation project is represented by the employment of their own employees, relating to two main types:

- Agricultural workers
- Staff of public research bodies and Universities.

In these cases, simplified costs can be defined to be used to report expenses incurred by the employer partners. Staff costs may be simplified in accordance with Regulation (EU) No.1303/2013 to Article 68 (2).

A. Standard unit cost for farm workers

Similarly to options a.1) and a.2) proposed in Chapter 3, the simplification of the costs of agricultural staff employed by partners of the OGs may refer to the pay scales laid down in national and provincial collective bargaining agreements or to wages set out in the annual decrees of the Ministry of Labour.

As with options (a)(1) and (a)(2) proposed in Chapter 3, the simplification of the costs of agricultural staff employed by partners of the OGs may refer to the wages scales established by the national and provincial collective labour agreements (NCLA; PCLAs) or to the average daily wage laid down in the annual decrees of the Ministry of Labour.

Unlike the case of farmers, farm workers must refer to the tariffs applicable at the specific levels and categories of agricultural staff. In addition, reference will be made to the average monthly wages applicable in the territory of the specific RDP, in order to ensure homogeneous treatment for the OGs financed by under same RDP.

Methodology based on the use of PLAsC wage tables

The formula for the calculation of standard unit cost per hour is as follows:

*(Average monthly wage by RDP territory) * 12 months/Number of annual productive hours) * Corrective coefficient*

The cost of the agricultural staff employed in the OG will then be determined by multiplying the standard unit cost per hour by the number of productive hours actually worked.

Methodology based on average daily wages established by the Decree of the Ministry of Labour

The formula for the calculation of standard unit cost per hour is as follows:

*((average daily wage by RDP territory *6,30*39*52)/Number of annual productive hours) * corrective coefficient)*

The cost of the agricultural staff employed in the OG will then be determined by multiplying the standard unit cost per hour by the number of productive hours actually worked.

B. Standard unit cost for research staff

The “Guide to Simplified Cost Options (SCO)” (EGESIF_14-0017) suggests using simplified costs where there are already methods of SCO for similar types of operations and beneficiaries under a nationally funded scheme or under another EU instrument.

Therefore, reference can be made to the wages indicated by MIUR/MISE in the document “Calculation methodology for the application of the scales of unit costs for reporting staff costs in research and experimental development projects financed by the Ministry of Education, Universities and Research and MISE under the Operational Programmes for ERDF 2014-2020”.

The standard unit costs set out in the tables in figures 6 and 7 were decided by Interministerial Decree (MIUR/MISE) for reporting expenditure on staff from the Research, Development and Innovation project. They can be used for all operations co-financed by the European Regional Development Fund (ERDF) under the operational programmes.

Figure 6 — Standard unit costs for staff of the universities

<i>Staff level</i>	<i>Standard Unit Cost (euro, per hour)</i>
High, for Ordinary Professor	73
Medium, for Associate Professor	48
Low, for Researcher / Administrative Technician	31

Source: Interministerial Decree — Ministry of Education, MISE No 116 issued on 24-01-2018²⁸

Figure 7 — Standard unit costs for personnel of public research bodies

<i>Staff level</i>	<i>Standard Unit Cost (euro, per hour)</i>
High, for Research Director and Level 1 Technologist / First Level Researcher and Technologist	55
Medium, for Researcher and Level III Technologist	33
Low, for Researcher and Technologist of IV, V, VI and VII level / Technical Collaborator (CTER) / Administrative worker	29

Source: Interministerial Decree — Ministry of Education, MISE No 116 issued on 24-01-2018²⁹

²⁸ <http://www.miur.gov.it/documents/20182/77224/DI+116+del+24-01-2018.pdf/fbd16dd4-0e70-47da-a3e0-1c4d82653096?version=1.0>

²⁹ <http://www.miur.gov.it/documents/20182/77224/DI+116+del+24-01-2018.pdf/fbd16dd4-0e70-47da-a3e0-1c4d82653096?version=1.0>

Annex 1: Determination of the corrective coefficient

The corrective coefficient for deferred charges (e.g. social and security contributions) is determined on the basis of the average values relating to:

- Average conventional income fixed annually for social security contributions and benefits;
- Rate of the insurance contributions (IOS) used to calculate the contributions IOS (invalidity, old age and survivors) and additional contributions due from farmers;
- invalidity premium, including the surcharge;
- Share of the Fund End Treatment (TFR).

In this way, the coefficient is determined on the basis of historical data relating to a period of years 2014-2018 defined by convention because:

- is sufficiently large (5 years),
- represents a part of the programming period for the interventions carried out by the OGs (2014-2020).

All the values for the calculations of the corrective coefficient of imputed charges are laid down in the decrees of the Ministry of Labour and the Institute of National Social Security (NSS) regulatory acts as shown in figure 8.

Figure8: List of reference sources of the coefficient

NSS regulatory acts	Years
n. 70 del 05/06/2014	2014
n. 108 del 27/05/2015	2015
n. 93 del 07/06/2016	2016
n. 96 del 31/05/2017	2017
n. 81 del 14/06/2018	2018

The corrective coefficient of imputed charges determined in figure 9 is applicable by the administrations throughout the 2014-2020 programming period, starting from the 2018 financial year.

Figure9: Determination of the corrective coefficient

Components	Data (Average on period 2014*- 2018)
Average conventional income	23520
Social security contribution	5457
Premium and accident surcharge	657
Share of severance indemnity	1742
Gross conventional income with notional charges	31376
Corrective Coefficient	33%

Source: our elaborations on NSS data

Annex 2: Calculation of the Average daily wages of farmers

Figure10: Average of gross daily wages

Annualità	Retribuzioni medie lorde giornalere	Decreti Ministero del Lavoro e delle politiche sociali
2014	71,26	del 29/05/2014
2015	71,63	del 08/05/2015
2016	73,56	del 12/05/2016
2017	73,98	del 18/05/2017
2018	74,90	del 11/05/2018
media	73,07	

Source: our elaborations on ministerial decrees (years 2014-2018)

Figure11: Calculation of Average conventional income of farmers

Annualità	Reddito medio convenzionale giornaliero	Decreti Ministero del Lavoro e delle politiche sociali
2014	54,65	del 29/05/2014
2015	55,05	del 08/05/2015
2016	56,62	del 12/05/2016
2017	56,83	del 18/05/2017
2018	57,6	del 11/05/2018
media	56,2	

Source: our elaborations on ministerial decrees (years 2014-2018)

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Delegated Regulation (EU) No 480/2014 of 3 March 2014 supplementing Regulation (EU) No.1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund

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