

2014-2020 ESF Eligibly Rules

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**Ireland's European Structural and
Investment Funds Programmes
2014-2020**

**Co-funded by the Irish Government
and the European Union**



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Content of Presentation

- Consequences of errors in ESF claims
- Causes of errors in ESF claim
- 2014-2020 changes to ESF claims / errors
- 2014-2020 ESF Eligibility Rules Circular

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Consequences of Errors in ESF Claims

- **Qualified Audit Authority Opinion = probable suspension and potential permanent loss of EU/ESF receipts for Ireland**
 - < 2% error rate “green light”; unqualified Audit Authority likely
 - > 2% error rate “red light”; qualified Audit Authority unless timely corrective action implemented and independently tested
- **Net financial corrections for errors identified by the Commission**

Cause of errors in ESF claims

- Ineligible expenditure costs / participants
- Over complex rules – “Gold plating”
- Inadequate management verifications
- Insufficient documents to support costs
- Non-compliance with Public Procurement

2014-2020 changes to ESF claims / errors

- Reduce “Gold plating” of rules
- Increased Simplified Cost Options (SCOs)
- New Youth Employment Initiative (YEI) funding
- Activity results linked to ESF expenditure claim (Performance Framework/Reserve)
- Audit Authority opinion of claims before accounts submitted to the Commission
- Net financial corrections for errors identified by EU
- Increased risk approach to management verifications
- e-Cohesion

2014-2020 ESF Eligibility Rules Circular (1)

- National ESF Eligibly Rules
 - 2014-2020 ESF Eligibility Rules Circular
 - 2014-2020 ERDF National Eligibility Rules Circular
 - CPR Regulation 1303/2013 and ESF Regulation 1304/2013
 - Financial Management and Controls Circular to be issued by D/PER
 - Activity Implementation Plan and Administrative Agreements
 - Existing National rules for exchequer funded programmes (e.g. participants eligibility)

2014-2020 ESF Eligibility Rules Circular (2)

- Reduce “Gold plating” of rules
 - 2014-2020 ESF Eligibility Rules Circular simplified
 - National Eligibility Rules used to determine errors for audit errors rate % - section 2 of Circular
 - Intermediate/Beneficiary Body Guidelines used to instruct in the completion of ESF claims (not to determine errors rate %) - section 2 of Circular

2014-2020 ESF Eligibility Rules Circular (3)

- Incurred by a beneficiary and paid between 1/1/2014 (1/9/13 for YEI) and 31/12/2023 - section 3.1 of Circular
- Supporting documentation e.g. receipted invoice, attendance records, timesheets ...etc – section 3.3 of Circular

2014-2020 ESF Eligibility Rules Circular (4)

- Increased Simplified Cost Options (SCOs) – section 3.4 of Circular)
 - Direct Staff Costs plus unjustified %
 - up to 15% to cover indirect costs
 - up to 40% to cover all other costs
 - Reduces documentation needed to support costs
 - SCO fixed in Activity Implementation Plan
 - **In discussions with EC on application of SCOs in IE system!**

2014-2020 ESF Eligibility Rules Circular (5)

- Income directly generated by claimed expenditure must be appropriately deducted – section 3.6
 - Exceptions exist under Article 65 of CPR 1303/2013 (e.g. operations with expenditure < €50k)
- Equipment costs fully eligible, with some depreciation costs only exceptions - section 3.7 of Circular
- YEI funding – section 3.8 of Circular
 - Costs eligible from 1 September 2013 (not 1 January 2014)
 - National definition of Not in Employment, Education or Training (NEETs) – **to be updated (<15 years of age ineligible)**

2014-2020 ESF Eligibility Rules Circular (6)

- Ineligible expenditure – section 3.13 of Circular
 - Interest on debt
 - Purchase of infrastructure, land and real estate
 - Recoverable VAT

- Participant eligibility – section 3.16 of Circular
 - Activity's specific participant admissibility criteria met
 - Standard participants data available;
 - Age, Gender, Employment status & Education levels (to be confirmed by EC)

NB - Other participant and output/result data required but not considered part of the eligible expenditure rules!!

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Questions Please!