



THE STAKEHOLDERS' COALITION PROPOSALS TO IMPROVE THE ERASMUS+ PROGRAMME GUIDE

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While triilogue negotiations are coming to an end between EU institutions on a draft Regulation for the future Erasmus+ funding programme, the Stakeholders' Coalition set up by EUCIS-LLL and the European Youth Forum to follow up on policy developments wishes to remind decision-makers of key elements that need to be included in the new programme users' guide. For a simplified, more accessible programme, this paper focuses especially on management and financial aspects in line with the new [Rules of Application \(RAP\)](#) of the EU Financial Regulation adopted in 2012.

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INTRODUCTION

The following recommendations result from the continuous will of civil society to be better involved in the design, implementation, monitoring and evaluation of the Programme. It is a matter of **good governance**. The Staff Working Document “Partnership and flexible pathways for lifelong skills development” accompanying the recent Commission Communication on “Rethinking Education” says that “*while public authorities have a leading role in the design and implementation of lifelong learning policies this cannot be done effectively without involvement and cooperation with non-governmental stakeholders*”, which is also emphasised in the ET2020 Strategic Framework. The EU Strategy for Youth¹ also associates youth to policy-making through a structured dialogue with youth and putting a strong emphasis in general on youth participation with the support of youth organisations. The involvement of stakeholders should be especially emphasised in the new programme. As its main users, they have the expertise and capacity to bring **valuable input from the grassroots level** to improve it and adapt it to the real needs of citizens. Yet so far, no consultation has been taking place on the users’ guide of Erasmus+, which is truly regrettable and **hinders a genuine partnership approach** between the Commission and relevant stakeholders; this is why the Coalition takes today the initiative of providing some key recommendations.

A concrete solution to improve cooperation and transparency could be found by inviting the most representative civil society organisations according to the **Programme Committee configurations** (if applicable in the legal basis) as observers. The European Youth Forum is already an observer in the Lifelong Learning Programme Committee and takes part in the Evaluation Committee of the Youth in Action programme. A further step would be to let them express the views of their constituency regarding the implementation and yearly priorities of the new programme. This could also be done via a **bi-annual structured dialogue meeting** between representatives of civil society and the DG EAC.

PART 1: MANAGEMENT SIMPLIFICATION

If some actions are reported to be user-friendly in the current programme (i.e. Grundtvig partnerships) most of the time preparing an application is a very complicated process limited to “professionals of Europe” or to privileged individual learners. It is urgent that the EU takes into account the various proposals made by civil society organisations to simplify the administrative and financial burdens linked to EU programmes.

1/ USER-FRIENDLY APPLICATION PROCEDURES

Application procedures should be made user-friendly, starting with **revised application forms** that should be more coherent and understandable, based on “who, what, why, when, for whom and how”. The idea is to avoid duplicating information (i.e. redundancies in partners’ role, project impact and rationale; hours in the budget and the application). Information should be well organised and clear in order to provide enough material for the experts to evaluate projects in a realistic way, given the time they have to assess them. On technical aspects, the use of eforms should be more systematic (they should also allow more characters for some sections, i.e. names of the organisations have to be shortened to fit in).

¹ Commission Communication: An EU Strategy for Youth – Investing and Empowering - A renewed open method of coordination to address youth challenges and opportunities (COM(2009) 200 final)





Given the workload necessary to prepare a project proposal (from several weeks to several months) and the lack of guarantee that it will be selected, a **two-step procedure** could be foreseen for very competitive grants: sending a first proposal and, if accepted, submitting the whole application. This would encourage organisations to participate and would save time and energy for both the European Commission and applicants.

Furthermore, a **database of applicants** could be set up where information about applicants could be stored centrally (i.e. legal status) to avoid applicants sending the same documents again and authorising officers checking them again. It would also improve transparency. Systems such as PADOR already exist and could serve as a basis but this database should be as simple as possible to avoid additional bureaucracy. This database could also serve as a portfolio of expertise and evidence about applicant organisations.

It is also crucial that **National Agencies as well as the Executive Agency apply common rules** in terms of priorities, deadlines and procedures (while taking into account the specific sectorial needs) to ensure fair competition and the European added value of the programme. To enable greater participation to the programme, the Agencies should allow **more flexible deadlines** (i.e. the case of the Youth in Action where several deadlines are proposed every year).

In order to allow a larger participation in individual mobility programmes, there should be enough **flexibility for individuals to apply on shorter time laps** (the process from application, selection, mobility can take up to one year) as this is especially problematic for people from disadvantaged groups.

2/ GUIDANCE AND INFORMATION

It is also crucial to improve **guidance and information on funding opportunities** (in particular those managed by the Executive Agency). This can be done by using existing networks or by raising awareness on the programmes to a wider audience focused on those currently excluded (using ambassadors, community leaders or new IT tools). **Information on existing projects** is also very important to disseminate in order to avoid duplication in a cost-efficient approach (see sustainability recommendations below).

Besides, applicants often appreciate the fact that annual Strategic Priorities are given, so that they can obtain more guarantees that their project is in line with the Commission's policy objectives. This guidance should be maintained in the future programme. Already from the very beginning of the preparatory phase, **applicants should be properly supported** by the EACEA and National Agencies via a **secured electronic system** for all those who have problems and questions regarding the grant management. It will also allow "non EU specialists" to participate in EU projects and thus open up to new practices. A financial and administrative guide with examples of eligible costs would also simplify grant management.

3/ TRANSPARENT SELECTION PROCESSES

The selection process itself **should be reviewed as it is now distant and dialogue is often lacking**. More transparency is requested on the way applications are evaluated: quality feedback should be given to all applicants. Furthermore decision-making should be faster (i.e. solving problems of late payment). National Agencies should be equipped with the **appropriate expertise** to evaluate a great variety of project types: a project presented by a higher education or research institution is very different from one presented from a youth organisation for example. The issue of **language** is also crucial as in some countries you can submit in different languages but in practice experts are not able to evaluate in non-national





language. This will be problematic especially for the management of key action 2 – partnerships.

Applicants should **always get proper feedback if their application is rejected** in order for them to improve. Applicants should also get **on-time feedback** about failed applications in order to be able to re-submit their application during the following round. **Appeals to National Agencies' decisions** should be made possible if applicants estimate that they have been treated unfairly.

4/ SIMPLIFIED PROJECT MANAGEMENT

Beyond application procedures, potential candidates are frequently discouraged by the **administrative burdens** that come with managing EU projects. Of course, it is very important to have strict and transparent procedures but we believe that it is possible to find a good balance between the need to ensure that public money is well spent and the need to ensure that the right actors can be involved. If this is not the case, EU programmes will be only for experts with EU background, **hindering broad participation of all levels and groups in society**. The Youth in Action or Grundtvig programmes proved to be easier to manage and it is important to use what works to simplify project management.

Amendment requests should be prevented as much as possible by making contracts less specific and, when it is necessary to amend, procedures should be easy but well-argued and aim towards improved outcomes. **Auditing requirements** also represent a huge burden on the time and resources of civil society organisations and for the European Commission. The amount of paperwork that is to be kept by applicants during many years is huge. **Changing evaluation rules** by focusing on evidence (results) and developing the use of lump sums or flat rates would be more cost effective and of greater value for tax payers.

Eligibility periods also lack of cost-effectiveness. This rule is mentioned as being rigid and ineffective. The eligibility period should be based on the activities and not on the day of purchase. If partners plan a meeting at the beginning of the project (within the eligibility period) they should be able to buy their plane tickets before the project officially starts.

5/ EU PROJECTS AND NETWORKS SUSTAINABILITY

It is important to ensure the sustainability of good EU projects and networks results. Before and during projects, all partners should gain **ownership** of the actions undertaken so that project outcomes are enshrined in their long-term strategy. Once a project is over, lack of continuity often hampers the sustainability of the results. **Specific financial support to follow on with successful projects** (follow up on impact evaluation process) in a consistent way should be allocated. EU projects or networks that proved to be successful and that delivered transferable products should be able to apply for an additional support for their dissemination / implementation (i.e. maintenance of the project website).

Joint exchange ideas and processes on EU funding opportunities should be facilitated on the same range of education/training areas. One meeting per year could be organised between project coordinators in order to allow cross-fertilisation of ideas and avoid “re-inventing” the wheel. A pool of European conferences annually decided and defined could also be achieved by European projects coordinators. Good practices such as specific actions (current Key Activity 4 on Dissemination and Exploitation of results) should be further exploited especially by new applicants. A **central project online database** should be created, so that comprehensive information about the results of Erasmus+ is easily available in a single place and open to all. An **online platform to facilitate knowledge exchange**





could also be set up for stakeholders to provide direct/indirect support on sponsoring specially focused on communication and media dissemination.

6/ CONSISTENT RULES FOR LEARNING MOBILITY

Management rules for individual learning mobility opportunities should also be simplified and consistent with each other, in order to guarantee high-quality and impactful experiences abroad. To that purpose, their **preparation and follow-up phases** should be strengthened and closely monitored in order to sustain their positive effects on the long run for beneficiaries. Besides, consistency in application procedures and management rules should be ensured between the various mobility schemes. Indeed now **some funding opportunities are more difficult to manage than others**. The European Voluntary Service (EVS) under the Youth in Action programme for instance is a very good sub-programme that suffers from structural burdens: unlike LLP sub-programmes, EVS grants are awarded after the release of a call for beneficiaries, making young people spending months to try to get into the programme; besides, participant organisations have to go through heavy accreditation procedures that discourage them and is time-consuming for National Agencies. Small youth and not for profit organisations will suffer more than others of the programme change and the need to get used to new administrative procedures, since they are normally less structured than educational institutions and often rely on voluntary staff. Sparing them the accreditation process would for sure foster a much wider participation in the programme and avoiding a new trend which is already a matter of fact: organisations are more and more likely to host a Leonardo trainee rather than a European volunteer as it is more convenient for them. The rules for Grundtvig assistantships are also different from one country to another and it is very hard to understand how the system works. The launch of the future programme, as it gathers many different funding opportunities, will be the momentum to **standardise procedures**.

PART 2: FINANCIAL SIMPLIFICATION

1/ VOLUNTEER WORK RECOGNISED

The Coalition advocates for making volunteer time eligible as co-funding when running projects. Indeed volunteer work is the **specific added-value** of civil society organisations' project and activities. In the line of the European Year of Volunteering 2011 legacy and in the framework of the European Year of Citizens 2013, recognising volunteer time but also their expertise would send a strong political message to civil society and contribute to ensure better financial support to civil society organisations. The European Parliament already supported this idea for all EU-funded programmes in June 2012².

The financial regulation allows recognising in-kinds contribution, recorded as ineligible costs, as co-funding. It clearly sets the possibility to support 100% of the eligible costs without infringing the co-funding principle, bringing contributions in kind as part of the co-funding. This solution should be made possible for European organisations and platforms in Erasmus for all Key activity 3. This functioning as already been tested for EUCIS-LLL and was approved by the European Commission and by an external auditor as valid.

Volunteer work recognition as co-funding is **already a good practice** experimented in Scotland and Wales for European Social Fund grants, as well as at EU level in the current operating grants allocated to the European Youth Forum and EUCIS-LLL. A method for measuring volunteer time has also been outlined in the [ILO Manual on the Measurement of](#)

² [Report on Cross-border Voluntary Activities in the EU](#), adopted in Plenary on 12 June 2012





[Volunteer Work](#) launched in 2011. In practice, the Commission could propose indicative daily allowances or ask the applicants to justify an equivalence based on employees that perform similar tasks in their organisation.

The new Rules of Application like the previous ones state that co-financing in kind (including volunteer time) may be accepted by the official in charge, which is rarely the case in practice. The new Rules give the authorising officer less discretion for refusing in-kind contributions for low value grants as it will have to be justified. It is time that authorising offices stop taking the most conservative approach at the expense of innovation. As the new RAP already gives the legal basis to accept volunteer time as co-funding, we call for a genuine implementation of this rule in practice in the next Erasmus+ programme.

What do the 2012 Rules of Application of the EU Financial Regulation say?

Article 127: Co-financing in kind

(...)

2. The authorising officer responsible may accept contributions in kind as co-financing, if considered necessary or appropriate. Where co-financing in kind is offered in support of low value grants and the authorising officer responsible has decided to refuse this, he or she shall justify why it is unnecessary or inappropriate.

Article 183: Co-financing principle

(Article 125(3) of the Financial Regulation)

1. Under the co-financing principle, the resources which are necessary to carry out the action or the work programme shall not be provided entirely by the Union contribution. Co-financing may take the form of the beneficiary's own resources, income generated by the action or work programme or financial or in-kind contributions from third parties.

2. In-kind contributions shall mean non-financial resources made available free of charge by third parties to the beneficiary.

2/ SUPPRESSION OF THE PRE-FINANCING GUARANTEES

The pre-financing guarantee required by some agencies is very problematic for many organisations. Some of our networks have seen cases where people have put their life insurances or house mortgages in order to receive advance payments. For example, Belgian banking agencies reject the model required by the Executive Agency particularly because of the referral, in case of dispute, to the European legal authorities only, which excludes the legal authorities of the Belgian law. This is an important barrier that should be overcome. Furthermore, this creates **inequalities** across the countries as some applicants are asked to provide a bank guarantee by their national agencies while others don't. A solution could be for the **European Investment Bank** to provide such guarantees or simply to suppress them. The European Commission should propose alternative solutions to the bank guarantee, on a case-to-case basis, for example by lowering the pre-financing or giving several instalments. At least more flexibility is needed about the percentages that are being paid in advance or after the interim report.





What do the 2012 Rules of Application of the EU Financial Regulation say?

Article 134: Pre-financing guarantee

1. *The authorising officer responsible may, if he or she deems it appropriate and proportionate, on a case-by-case basis and subject to risk analysis, require the beneficiary to lodge a guarantee in advance in order to limit the financial risks connected with the payment of pre-financing.*
2. *Notwithstanding paragraph 1, guarantees shall not be required in the case of low value grants.*

3/ CHOICE BETWEEN FLAT-RATE GRANTS AND BUDGET-BASED FINANCING

Experience from the Lifelong Learning Programme has shown that **both flat-rate grants/lump-sums and budget-based financing were satisfactory for beneficiaries**. They should therefore be allowed to choose between the two types of funding. Indeed, **budget-based grants seem to correspond much more to the reality of the beneficiaries' accounting** and be clearer for them and the Executive Agency on which activities are eligible or not; this also allows beneficiaries to better adjust the activities they want to concretise according to their co-funding capacity, which is more financially securing for both grant agreement parties. This financing is also less constraining than flat rate grants as the amount allocated is less linked to staff pay scales. Besides, in a flat rate system, those national scales are moreover often calculated in an arbitrary way and lead to more risks of double funding if they do not correspond to the reality of the organisation.

However, **flat-rate grants/lump-sums are often privileged by beneficiaries because it considerably reduces the administrative burden** and therefore workload of both parties, which also makes EU projects more accessible to smaller organisations. Indeed, beneficiaries appreciate that the Executive Agency trusts them on the way they spend the money (more qualitative evaluation) and would even foresee in the future programme the **generalisation of this system**, which benefits are already acknowledged by the 2012 Financial Regulation and experimented by some LLP actions such as Grundtvig "Learning Partnerships" or "Workshops". Flat rate grants do not necessarily mean that the organisation will be less serious with the grant management as detailed accounting has to be done anyway, even if not systematically reported to the Commission. Besides, this freedom has many advantages: for instance there is no need for the organisation to worry about the margin for reallocation of money between different budget headings or about the eligibility to indirect costs. Therefore applicants should be able to choose the type of financing that they feel the most comfortable with.



What do the 2012 Rules of Application of the EU Financial Regulation say?

Recitals

(41) Experience gained in the use of lump sums or flat-rate financing has shown that, such forms of financing significantly simplified administrative procedures and reduced the risk of error substantially. In addition, output-based funding has proved appropriate for certain types of actions. In this context, the conditions for using simplified forms of grants determined on the basis of lump sums, unit costs and flat rates should be made more flexible. In particular, amounts determined by the application of a beneficiary-by-beneficiary approach should be allowed, including where such amounts are declared by the beneficiary in accordance with its usual cost accounting practices, in order to alleviate the administrative burden and the costs borne by that beneficiary specifically for the purpose of financial reporting to the Union.

Article 123: Forms of grants

1. Grants may take any of the following forms:

- (a) reimbursement of a specified proportion of the eligible costs, referred to in Article 126, actually incurred;
- (b) reimbursement on the basis of unit costs;
- (c) lump sums;
- (d) flat-rate financing;
- (e) a combination of the forms referred to in points (a) to (d).

2. When determining the appropriate form of a grant, the potential beneficiaries' interests and accounting methods shall be taken into account to the greatest possible extent.

Article 124: Lump sums, unit costs and flat-rate financing

1. Without prejudice to the provisions of the basic act, the use of lump sums, unit costs or flat-rate financing shall be authorised by way of a Commission decision ensuring respect for the principle of equal treatment of beneficiaries for the same category of actions or work programmes.

4/ A MORE FLEXIBLE “10% RULE”

More **flexibility** should be given in order to reallocate parts of the budget (“10% rule”). Indeed, it is nearly impossible to plan the exact costs one to four years in advance. The possibility to adapt the budget according to real costs should be easier. For instance a reallocation of 20% of the appropriations for the year would lead to more tolerance in the new programme.

What do the 2012 Rules of Application of the EU Financial Regulation say?

Article 25: Transfers by institutions other than the Commission

1. Any institution other than the Commission may, within its own section of the budget, transfer appropriations:

- (a) from one title to another up to a maximum of 10 % of the appropriations for the year shown on the line from which the transfer is made;
- (b) from one chapter to another and from one article to another without limit.



5/ INCREASE OF THE CEILING FOR INDIRECT COSTS

It is recognised in many member states that indirect costs represent more than 7% of the total budget in EU projects. This limits the possibilities for some organisations to participate. The ratio for indirect costs should be **at least between 15% and 20%** as research has shown that it would be closer to reality. As the 2012 RAP delegates the decision to the Commission when it comes to increasing this ceiling, the Commission should be **more flexible** for Erasmus+ projects on a case-by-case basis.

What do the 2012 Rules of Application of the EU Financial Regulation say?

Article 124: Lump sums, unit costs and flat-rate financing

(...)

4. *The grant decision or agreement may authorise or impose, in the form of flat-rates, funding of the beneficiary's indirect costs up to a maximum of 7 % of total eligible direct costs for the action, except where the beneficiary is in receipt of an operating grant financed from the budget. The 7 % ceiling may be exceeded on the basis of a reasoned decision of the Commission.*

6/ TIMELY PAYMENTS AND EQUAL INSTALMENT PROCEDURES NEEDED

Many organisations reported late payments with money arriving 3-4 months after the project has started, with very **negative impact on delivery**. The 2012 RAP state that reporting, accounting and related checks should be made in a timely manner. But this is also the **Commission's duty** to make payments on time in order not to hinder project sound proceeding and deliverables. The Commission should also be clearer on the documents beneficiaries need to keep and funding rules in general. Rules also differ on the way the money is distributed (instalment procedures). In specific cases the EU gives most of the grant (80%) at the beginning of the project as it is the case already for Grundtvig "Learning Partnerships" in other case it is much less (30%). **Equal treatment** for instalment procedures shall be ensured, as recommended by the 2012 RAP.

What do the 2012 Rules of Application of the EU Financial Regulation say?

Article 135: Payment of grants and controls

1. *The amount of the grant shall not become final until after the authorising officer responsible has approved the final reports and accounts, without prejudice to subsequent checks by the institution concerned, which shall be carried out in a timely manner.*

(...)

8. *The Commission shall ensure equal treatment of beneficiaries of a programme, in particular where it is implemented by several authorising officers responsible.*

7/ SUPPRESSION OF THE NO-PROFIT RULE FOR EU FUNDED ORGANISATIONS

Organisations that use EU structural support (former operating grants) to cover their core costs while they are running other projects that generate some surplus, have to give all this built-up surplus back to the EU even if the activities of these projects are not related to the activities carried out under their EU structural support. This rule is **unsustainable** and does not support the development of civil society. The best solution would be to exclude organisations pursuing European general interest from the scope of the non-for-profit rule by ensuring that this surplus is not redistributed.





The 2012 RAP acknowledge that the no-profit principle should be re-examined and more flexibility should be introduced. Operating grants beneficiaries can currently build up **reserves** that will not be considered as profit, which is a leap forward compared to the current situation. We invite the Commission to genuinely implement those principles in order to **sustain the work of organisations** that will receive support in the next programme and preventing hard financial future times.

What do the 2012 Rules of Application of the EU Financial Regulation say?

Recitals

(43) The principles of no-profit and co-financing should be adjusted in the light of practical experience and of the diverging interpretations and application of such principles, which results in errors and occasionally in counterproductive effects. In particular, the definition of profit should focus on eligible costs and the receipts specifically financing those costs, in order to simplify reporting by beneficiaries and to encourage them to diversify their sources of funding. Moreover, the Commission should not presume that other donors will not recover any surplus generated by their own contributions, and should, therefore, only recover profit in proportion to its grant. (...)

Article 125: General principles applicable to grants

(...)

4. Grants shall not have the purpose or effect of producing a profit within the framework of the action or the work programme of the beneficiary ('no-profit principle').

(...)

Where a profit is made, the Commission shall be entitled to recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary to carry out the action or work programme.

5. For the purpose of this Title, profit shall be defined as a surplus of the receipts over the eligible costs incurred by the beneficiary, when the request is made for payment of the balance.

The receipts referred to in the first subparagraph shall be limited to income generated by the action or work programme, as well as financial contributions specifically assigned by donors to the financing of the eligible costs.

In the case of an operating grant, amounts dedicated to the building up of reserves shall not be taken into account for the purpose of verifying compliance with the no-profit principle.

8/ SUPPRESSING THE DEGRESSIVITY PRINCIPLE FOR EU FUNDED ORGANISATIONS

Even though beneficiaries should make consistent efforts to find complementary sources of funding, the current degressivity principle for operating grants proved to be inefficient and had a negative effect in the life of civil society organisations. The Financial Regulations states that this requirement should be removed, and this should apply to the funding scheme foreseen for EU organisations in the next programme



What do the 2012 Rules of Application of the EU Financial Regulation say?

Recitals

(43) (...) Finally, the degressivity principle has not proved to be an effective tool in limiting the risk of dependence of beneficiaries of operating grants on Union funds. In addition, the applicability of the principle of degressivity has been considerably reduced following the necessary introduction of exceptions in a number of basic acts and in the case of simplified forms of grants. In view of these drawbacks, the degressivity requirement applicable to operating grants should be removed.

We remain available for further information,

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