

Basic information	
2008/0232(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European Social Fund (ESF): new types of costs eligible for a contribution from the ESF	
Amending Regulation (EC) No 1081/2006 2004/0165(COD)	
Subject 4.10.05 Social inclusion, poverty, minimum income 4.10.10 Social protection, social security 4.10.15 European Social Fund (ESF), Fund for European Aid to the Most Deprived (FEAD) 4.15.02 Employment: guidelines, actions, Funds	

Key players			
European Parliament	Committee responsible EMPL Employment and Social Affairs	Rapporteur JÖNS Karin (PSE)	Appointed 02/12/2008
	Committee for opinion BUDG Budgets	Rapporteur for opinion GRIESBECK Nathalie (ALDE)	Appointed 20/09/2004
	 CONT Budgetary Control	The committee decided not to give an opinion.	
	 REGI Regional Development	MADEIRA Jamila (PSE)	19/01/2009
Council of the European Union	Council configuration Economic and Financial Affairs ECOFIN	Meetings 2940	Date 2009-05-05
European Commission	Commission DG Employment, Social Affairs and Inclusion	Commissioner ŠPIDLA Vladimír	

Key events			
Date	Event	Reference	Summary

26/11/2008	Legislative proposal published	COM(2008)0813 	Summary
15/12/2008	Committee referral announced in Parliament, 1st reading		
02/03/2009	Vote in committee, 1st reading		Summary
04/03/2009	Committee report tabled for plenary, 1st reading	A6-0116/2009	
01/04/2009	Debate in Parliament		
02/04/2009	Decision by Parliament, 1st reading	T6-0200/2009	Summary
02/04/2009	Results of vote in Parliament		
05/05/2009	Act adopted by Council after Parliament's 1st reading		
06/05/2009	Final act signed		
06/05/2009	End of procedure in Parliament		
21/05/2009	Final act published in Official Journal		

Technical information	
Procedure reference	2008/0232(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation (EC) No 1081/2006 2004/0165(COD)
Legal basis	EC Treaty (after Amsterdam) EC 148
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/6/70361

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE418.258	20/01/2009	
Committee opinion		PE418.452	13/02/2009	
Amendments tabled in committee		PE420.144	16/02/2009	
Committee opinion		PE419.942	23/02/2009	
Committee report tabled for plenary, 1st reading/single reading		A6-0116/2009	04/03/2009	
Text adopted by Parliament, 1st reading/single reading		T6-0200/2009	02/04/2009	Summary

Council of the EU			
Document type	Reference	Date	Summary

Draft final act	03618/2009/LEX	06/05/2009	
European Commission			
Document type	Reference	Date	Summary
Legislative proposal	COM(2008)0813 	26/11/2008	Summary

Additional information		
Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act
Regulation 2009/0396 OJ L 126 21.05.2009, p. 0001

[Summary](#)

European Social Fund (ESF): new types of costs eligible for a contribution from the ESF

2008/0232(COD) - 06/05/2009 - Final act

PURPOSE: to amend the ESF Regulation to facilitate access to grants co-financed by the European Social Fund (ESF).

LEGISLATIVE ACT: Regulation (EC) No 396/2009 of the European Parliament and of the Council amending Regulation (EC) No 1081/2006 on the European Social Fund to extend the types of costs eligible for a contribution from the ESF.

CONTENT: following a first reading agreement with the European Parliament, the Council adopted a regulation facilitating access to grants co-financed by the European Social Fund (ESF) in order to mitigate the social impact of the financial crisis. The main objective of the Regulation is to simplify the management, administration and control of ESF operations by simplifying the justification of indirect costs (i.e. costs which are not directly linked to the project, but which are necessary for its implementation, such as phone or electricity costs) and by reducing the workload and number of supporting documents required to justify expenditure.

The European Court of Auditors recommended in its 2007 annual report that the legislative authorities and the Commission should be prepared to reconsider the design of future expenditure programmes by giving due consideration to simplifying the basis of calculation of eligible cost and making greater use of lump-sum or flat-rate payments instead of reimbursement of 'real costs'. In accordance with these recommendations, the Regulation extends the scope of Regulation (EC) No 1081/2006 (the ESF Regulation) to 3 additional forms of eligible costs:

- indirect costs, declared on a flat-rate basis, of up to 20% of the direct costs of an operation;
- flat-rate costs calculated by the application of standard scales of unit cost as defined by Member States;
- lump sums to cover all or part of the costs of an operation, within a limit of EUR 50 000.

These options may be combined only where each of them covers a different category of eligible costs or where they are used for different projects within the same operation.

Costs must be established in advance on the basis of a fair, equitable and verifiable calculation.

Previously, the reimbursement of ESF expenditure was based on the "real cost" principle. This meant that EUR 1 of grant must correspond to at least EUR 1 of justified paid expenditure. The justification of expenditure was based on invoices and other accounting documents showing what had actually been done, which could amount to hundreds of documents. Furthermore, all supporting documents had to be kept available for 3 years after the closure of the programme.

APPLICATION: the new rules, which form a part of the [European Economic Recovery Plan](#), will apply retroactively from 01/08/2006.

ENTRY INTO FORCE: 22/05/2009

European Social Fund (ESF): new types of costs eligible for a contribution from the ESF

2008/0232(COD) - 02/04/2009 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 604 votes to 16, with 10 abstentions, a legislative resolution approving unamended, under the first reading of the codecision procedure, the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1081/2006 on the European Social Fund (ESF) to extend the types of costs eligible for a contribution from the ESF.

European Social Fund (ESF): new types of costs eligible for a contribution from the ESF

2008/0232(COD) - 26/11/2008 - Legislative proposal

PURPOSE: to amend the ESF Regulation to introduce elements necessary to the simplification of its administration and use.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

CONTENT: in the face of the current financial crisis and economic downturn, the Commission proposes to amend the European Social Fund Regulation (ESF Regulation (EC) No 1081/2006) in order to ensure that the latter is used to its full potential to alleviate problems of the unemployed, in particular the most vulnerable. The Commission notes that everything must be done to encourage the effective, efficient and fast uptake of available resources, without compromising the principles of sound financial management.

In this framework the aim of this proposal is to add a further, simpler, method of spending the European Social Fund, so that its contribution to addressing the economic and social challenges facing Europe can be faster and more effective.

Flat-rate payments from ESF have been possible for indirect costs since 2007. 23 Member States take advantage of this provision. However, payment of lump sums is not yet eligible within the ESF rules. In order to ensure the necessary simplification in the management, administration and control of operations receiving an ESF grant, particularly when linked to a result-based reimbursement system, the Commission proposes to add two additional forms of eligible costs, namely, lump sums and flat-rate standard scales of unit cost. This proposal aims to:

- extend flat-rate financing to direct costs;
- widen its scope to scales of standardised units of cost;
- enable the use of lump sum payment systems.

In parallel to this proposal the Commission proposes some [changes to the Structural Funds Regulations](#) (in particular, to the General Regulation) to enable the latter to be used in the most effective manner possible as part of the response to the crisis. One issue which will affect the ESF is the proposal that increased advance payments should be made available to Managing Authorities, to ensure that they can kick-start new operations.