



**COUNCIL OF
THE EUROPEAN UNION**



Brussels, 5 May 2009
9456/09 (Presse 114)

Council facilitates access to European Social Fund

The Council today 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 ([3618/09](#)).

The main objective of the new 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 reducing the workload and number of supporting documents required to justify expenditure.

In accordance with the recommendations of the European Court of Auditors¹ and following a first reading agreement with the European Parliament, the Council decided to extend the scope of the ESF regulation to three additional forms of eligible costs:

¹ Made in its 2007 annual report
(<http://eca.europa.eu/portal/pls/portal/docs/1/1569525.PDF>)

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- 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 the member states;
- lump sums to cover all or part of the costs of an operation, within a limit of EUR 50 000.

Currently, the reimbursement of ESF expenditure is based on the "real cost" principle. This means that EUR 1 of grant must correspond to at least EUR 1 of justified paid expenditure. The justification of expenditure is based on invoices and other accounting documents showing what has actually been done; this can easily amount to hundreds of documents. Furthermore, all supporting documents must be kept available for three years after the closure of the programme.

The new rules, which form a part of the recovery package¹, will apply retroactively from 1 August 2006.

¹ The other two parts in the field of Cohesion Policy aim at accelerating the spending of EU structural funds ([8585/09](#)) and at a greater support to energy efficiency and renewable energy investments in housing ([9467/09](#))