

## **MANAGEMENT BOARD DECISION No 9/2014**

**Of 7 May 2014**

### **on Unit Costs for Operational Activities**

#### **THE MANAGEMENT BOARD**

Having regard to Frontex Regulation<sup>1</sup>, in particular Articles 3(4) and 9(1) of thereof,

Having regard to the General Financial Regulation<sup>2</sup>, in particular Article 123(1) and 124 thereof,

Having regard to Frontex Financial Regulation<sup>3</sup>, in particular Article 75 thereof,

Whereas,

- (1) Pursuant to Articles 3(4) and 9(1) of the Frontex Regulation, Frontex is required to finance or co-finance joint operations, pilot projects and joint return operations with grants from its budget;
- (2) Pursuant to Article 75 of Frontex Financial Regulation, the relevant provisions of the General Financial Regulation apply to Frontex grants used to finance or co-finance Frontex operational activities;
- (3) In accordance with Article 123(1) of the General Financial Regulation, the use of simplified forms of grants is allowed (lump sums, unit cost and flat rates) and therefore the need to strive for efficiency gains in grant management in Frontex has been recognised;
- (4) In accordance with Article 124 of the General Financial Regulation, the use of lump sums, unit costs or flat rate financing should be authorised, by analogy, by the Management Board, ensuring respect for the principle of equal treatment of beneficiaries for the same category of actions or work programs;
- (5) The aforementioned authorisation should be supported by a justification concerning the appropriateness of such forms of financing as well as risks of irregularities and fraud and costs of control;-
- (6) The costs covered should be clearly identified and the methodology determining units costs/lump sums or flat rate financing and the conditions for reasonably ensuring that the no profit and co-financing principles are complied with;

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<sup>1</sup> Council Regulation (EC) No 2007/2004 of 26 October 2004 establishing a European Agency for the Management of Operational cooperation at the External Borders of the Member States of the European Union (OJ L 349, 25.11.2004, p. 1), as last amended.

<sup>2</sup> Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p1).

<sup>3</sup> Frontex Management Board Decision 01/2014 of 08 January 2014.

(7) The methods used for this calculation should be based on either statistical data or similar objective means or a beneficiary-by-beneficiary approach taking as reference certified and auditable historical data of the beneficiary or its usual cost accounting practice.

## HAS DECIDED AS FOLLOWS:

### Article 1

#### Definitions

For the purposes of this Decision, the following definitions apply:

1. Beneficiary - National Authority of a European Union Member State, of a Schengen Associated Country or of a Third Country which is a recipient of Frontex grants;
2. Unit Cost - unit measure that covers all or certain specific categories of eligible costs, which are clearly identified in advance by reference to an amount per unit.

### Article 2

#### Scope and Purpose

1. This Decision applies to reimbursement for Operational activities on the basis of Unit Costs.
2. This Decision aims to:
  - a) allow Frontex the use of Unit Costs as a simplified form of grants;
  - b) ensure respect for the principle of equal treatment of beneficiaries for the same category of actions or work programs;
  - c) clearly identify the costs covered by each Unit Cost;
  - d) present a methodology ensuring that the no-profit and co-financing principles are complied with.

### Article 3

#### Calculation of the Unit Cost

1. The amount of the Unit Cost has been determined on the basis of the analysis of final payments executed to grant Beneficiaries in the period 2011-2013, as shown below and explained in the Annex.
2. The following Unit Costs have been established:

Categories of costs	Unit Cost amount (EUR)	
- Car rental and all related costs (fuel, tolls etc.)	40 EUR/day	
- Additional deployment costs (covers communication costs of deployed guest officers, laundry related costs and local public transport)	6 EUR /day/officer	
- Service car (all costs related to use and maintenance)	0,22 EUR/km	
- Running costs of Focal Point Offices	20 EUR/activated day	
- Per diems for interpreters/cultural		Per diem

mediators	Athens	202 EUR
	Alexandroupolis	152 EUR
	Orestiada	132 EUR
	Samos	162 EUR
	Lesvos	142 EUR
	Elhovo	105 EUR
	Svilengrad	120 EUR
- Catering for participants of JRO	5 EUR/person	

#### *Article 4*

##### **Reimbursement on the basis of Unit Costs**

1. For reimbursement on the basis of Unit Costs, the Beneficiaries are not requested to provide supporting documents proving the costs borne.
2. For statistical, methodological or fraud-prevention and detection purposes, it is necessary to have access to general accounting information from a beneficiary, even if those are financed by way of Unit Costs. Those verifications, however, should not be used for questioning the unit value of Unit Costs already agreed upon.

#### *Article 5*

##### **Entry into force**

This Decision enters into force on the day following its adoption.

Done in written procedure, 7 May 2014

For the Management Board

[signed]

Ralf Göbel

Chairperson

## **ANNEX - Methodology and justification for the Unit Costs:**

The introduction of Unit Costs is justified by the need to:

- offer to Frontex' beneficiaries an option of simplified reimbursement procedures
- simplify the management of grants on Frontex' side, supported by the simplification in Title VI "Grants" of the General Financial Regulation.

For the running costs of Focal Points and per diems for interpreters/cultural mediators, the methodology for the introduction of Unit Costs is included in ED decisions no: 2013/90 of 5 December 2013 and 2013/46 of 4 July 2013.

With regard to the introduction of the Unit Cost of 0,22/km for service cars, it is based on the provisions included in the Mission Guide<sup>4</sup>.

For the remaining Unit Costs, the methodology used was as follows:

Frontex analysed historical data of costs incurred by grant beneficiaries based on final financial statements submitted between 2011 and 2013. The sample was selected based on the following criteria:

1. The most recent final payments have been selected with 17.02.2014 as a cut-off date.
2. At least 10 records per host Member State / cost category should be identified.

Following the analysis it appeared that it was not always possible to identify 10 records per host Member State / cost category due to:

1. Insufficient number of operations carried out in certain Member States;
2. Lack of information on certain costs (this concerns mainly minor costs where some MS decided not to claim them due to related administrative burden);
3. Difficulty in separating the costs where they were presented together.

Following this it was decided:

1. To establish Unit Costs only for those cost categories where there is a sufficient number of data available (at least 10 records were identified);
2. To group cost categories into one Unit Cost, whenever possible and justified, to further simplify the grant management. This concerned other deployment related costs (as communication, laundry, local public transport).

The table below presents the summary of the collected figures and the proposed Unit Costs.

	# of collected records	Average (in EUR)		Proposed Unit Cost
Car rental including fuel, tolls, maintenance costs, parking etc.)	68	41,30 EUR/day		40 EUR/day
Communication	71	2,26	6,22 EUR/day	6 EUR /day/officer
Laundry	69	1,30		
Local public transport	25	2,66		
Catering for participants of JRO	19	6,10		6 EUR/person

<sup>4</sup> Commission Decision of 18.11.2008 on general implementing provisions adopting the Guide for missions for officials and other servants of the European Commission.