



Executive summary

The ad-hoc evaluation to support the establishment of simplified cost options for the Operational Programme Social Inclusion and Dignity (OPSID) 2021-2027 is part of the contract *"Implementing the Evaluation Plan of the Human Capital Operational Programme 2014-2020 - Evaluation of HCOP interventions in the field of social inclusion"*, together with three evaluation exercises aimed at the Retrospective Evaluation of the Operational Programme Human Resources Development 2007-2013, an interim and final evaluation of the Human Capital Operational Programme 2014-2020 and other ad-hoc evaluations that are defined as needed.

The ad hoc evaluation that is the subject of this report was based on the request for services no. 101294/09.11.2020, formulated by the Ministry of Investments and European Projects (formerly the Ministry of European Funds) and aims to support the identification and definition of the simplified cost options applicable in the implementation of the ESF+ interventions financed by OPSID 2021-2027 based on the lessons learned and the experience from the implementation of the HCOP 2014-2020.

Two specific objectives have been set, corresponding to the stages of implementation of the evaluation, namely:

- Identify simplified cost options appropriate to the funded actions and the cost category, in a manner consistent with the existing regulatory framework and previous implementation experience;
- Define the simplified cost options identified as priorities, in accordance with the requirements of the EISF regulations and the formats of the operational programme.

In the request for services, two requirements were specified regarding:

- Analysis of 4 themes corresponding to the priorities of the Programme as an object of the analysis, in order to identify simplified cost options appropriate to the actions and context of the Programme,
- Application of data collection methods and calculation of Simplified Cost Options for at least 4 types of costs identified

The evaluation questions correspond to the two specific objectives, namely:

1. **What are the actions related to the evaluation themes for which SCOs are applicable?**
2. **What is the methodology for calculating selected simplified cost options.**

In order to answer the evaluation questions, the proposed methodology included a set of methods and tools designed to match the complexity of the operational programme with a very large number of priorities, actions, types of costs, beneficiaries and target groups.

The first phase of research focused on the literature, on the one hand, on simplified cost options, a topic of the European Structural and Investment Funds with a still limited experience, but of great interest and intensely promoted by the European Commission. On the other hand, the research aimed at mapping the actions and their related costs in order to identify and prioritize the definition of new simplified costs for the period 2021-2027. Mapping also allows for an overview of the programme given that a simplified cost may be appropriate for several operations from different actions and priorities or in an operation there may be several simplified costs implemented. The result of this analysis remains a reference tool throughout the implementation of the programme because the adoption and implementation of simplified cost options does not end with the approval of the OP, but continues throughout its duration. New simplified cost options identified as suitable in this phase can also be defined later, during implementation, once the implementation mechanisms are clarified.

Following an in-depth analysis of the processes and sub-implementation processes associated with eligible costs, five simplified cost options were selected for priority development, ensuring a high impact on the simplification process due to the fact that they are applicable to a large number of operations, beneficiaries of funding or involve repetitive processes with a high number of low-value costs generating a considerable administrative burden. The five simplified costs go beyond the minimum requirement of request for services which indicates a minimum of 4 methodologies developed.

In order to define the five simplified costs, data and information were collected from the HCOP 2014-2020, as well as from the ESF interventions in the period 2007-2013, statistical data relevant to the operations in the field of social inclusion were extracted and used. To these were added qualitative data and analyses for which interviews, surveys, consultations in videoconferences or in writing were carried out with the authorities



involved in the management of the HCOP 2014-2020, as well as with beneficiaries of funding of the HCOP 2014-2020 interventions in the areas concerned. All these were analyzed and presented in the methodologies of each simplified cost developed, in the substantiation studies and in the standard format established by the Common Provisions Regulation 1060 of 2021, namely Appendix 1 of Annex V, which is completed for all simplified costs and submitted to the Audit Authority for ex-ante evaluation.

The main conclusions of the ad hoc evaluation are as follows:

C1. The potential for simplification through simplified cost options is very high in OPSID, with high repetitive costs identified in one or more operations and with a significant allocation. Simplified operations and cost options with the highest impact on simplification have been identified, being addressed as a matter of priority. The first three SIMPLIFIED COST OPTIONS POIDS01, POIDS02 and POIDS03 have the potential for a very high impact due to the large number of operations in which they can be applied, the large number of funding beneficiaries and the significant volume of funding.

During the evaluation, the following simplified costs were identified as a priority and applicable, for which the necessary analyses and justifications were carried out:

- POIDS01 unit cost for salaries of staff employed for the provision of social services with three scales for three levels of education
- POIDS02 unit cost of professional qualification with three scales for qualification levels 2,3 and 4
- POIDS03 unit cost for in-service vocational training
- POIDS04 unit cost of the cost of materials consumed in the provision of home care services, with two scales calculated according to the degree of dependence of the elderly person cared for
- POIDS05 Simplified cost options for social diagnosis and needs analysis including two variants
 - Unit cost for settlement with EC according to Article 94 of the Common Provisions Regulation 1060/2021
 - Lump sum social diagnoses for settlement with beneficiaries according to Article 53 Common Provisions Regulation 1060/2021

C2. The potential for simplification through the application of simplified costs defined by the Regulation, which did not require a definition methodology, is very high and the administrative burden is low. The adoption and application of simplified cost options is a complex long process, practically extending throughout the implementation of the programme, so that simplified cost options are adapted and capitalize on favorable conditions that cannot be identified from the beginning of programming. Some simplified cost options cannot be defined in the programming period because the implementation mechanisms are not sufficiently clear and detailed to be able to know the factors that can influence the feasibility and effectiveness of the SCO.

C3. Some simplified cost options are relevant for several ESF-funded operational programmes. The definition of simplified cost options needs to be done from a broader perspective of the whole programme, i.e. the fund (ESF+ in this case). This approach leads to further simplification in terms of ensuring uniformity for beneficiaries participating in several programmes, avoiding the use of several options for similar actions that can create confusion and errors.

C4. The analysis confirms a number of benefits associated with simplified costs such as: decreasing the administrative burden (both at the level of beneficiaries and authorities), focusing resources on achieving results reducing the administrative burden.



Recommendations:

R1. It is recommended that Ministry of Investments and European Projects together with the MA analyze the variants of SCO and scales defined and calculated in order to decide the optimal variants in correlation with the other ESF programmes, **including the simplified cost options provided for by the CPR 1060/2021.**

R2. It is recommended to set up a working group in the coordination of Ministry of Investments and European Projects for **the continuation of the process of introducing simplified costs, approached as a long-term process coordinated in the system of European funds for an efficient and unitary application.**