

# 2014-2020 ESF Eligibility Rules

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**Ireland's European Structural and  
Investment Funds Programmes  
2014-2020**

**Co-funded by the Irish Government  
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# Content of Presentation

- Consequences of errors in ESF claims
- Causes of errors in ESF claim
- 2014-2020 changes to ESF claims / errors
- 2014-2020 ESF Eligibility Rules Circular 1/2015

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# Consequences of Errors in ESF Claims

- **Qualified Audit Authority Opinion = probable suspension and potential permanent loss of EU/ESF receipts for Ireland**
  - < 2% error rate “green light”; unqualified Audit Authority likely
  - > 2% error rate “red light”; qualified Audit Authority unless timely corrective action implemented and independently tested
- **Net financial corrections for errors identified by the Commission**

# Cause of errors in ESF claims

- Ineligible expenditure costs / participants
- Over complex rules – “Gold plating”
- Inadequate management verifications
- Insufficient documents to support costs
- Non-compliance with Public Procurement
- Non-compliance with EU/ESF Publicity
- Treatment of income generated by co-funded activities

# 2014-2020 changes to ESF claims / errors

- **Reduce “Gold plating” of rules**
- **Increased Simplified Cost Options (SCOs)**
- **New Youth Employment Initiative (YEI) funding**
- Activity results linked to ESF expenditure claim (Performance Framework/Reserve)
- Audit Authority opinion of claims before accounts submitted to the Commission
- Net financial corrections for errors identified by EU
- Increased risk approach to management verifications
- e-Cohesion

# 2014-2020 ESF Eligibility Rules Circular (1)

- National ESF Eligibly Rules
  - **2014-2020 ESF Eligibility Rules Circular 1/2015**
  - 2014-2020 ERDF National Eligibility Rules Circular to be issued
  - CPR Regulation 1303/2013 and ESF Regulation 1304/2013 along with related EU Implementing Regulations
  - Financial Management and Controls Circular to be issued by D/PER
  - Activity Implementation Plan and Administrative Agreements
  - Existing National rules for exchequer funded programmes (e.g. participants eligibility)

# 2014-2020 ESF Eligibility Rules Circular (2)

- Reduce “Gold plating” of rules
  - 2014-2020 ESF Eligibility Rules Circular simplified
  - National Eligibility Rules used to determine errors rate % - section 2 of Circular
  - Intermediate/Beneficiary Body Guidelines used to instruct in the completion of ESF claims (not used to determine errors rate %) - section 2 of Circular

# 2014-2020 ESF Eligibility Rules Circular (3)

- Incurred by a beneficiary and paid between 1/1/2014 (1/9/13 for YEI) and 31/12/2023 - section 3.1 of Circular
- Supporting documentation e.g. receipted invoice, attendance records, timesheets ...etc – section 3.3 of Circular



# 2014-2020 ESF Eligibility Rules Circular (4)

- Increased Simplified Cost Options (SCOs) – section 3.4 of Circular)
  - SCOs not allowed for operations that have in the main been subject to public procurement.
  - Direct Staff Costs plus % (that does not need justification)
    - up to 15% to cover indirect costs
    - **up to 40% to cover all other costs**
  - Reduces documentation needed to support costs
  - SCO fixed in Activity Implementation Plan

# 2014-2020 ESF Eligibility Rules Circular (5)

- Income directly generated by claimed expenditure must be appropriately deducted – section 3.6
  - Exceptions exist under Article 65 of CPR 1303/2013 (e.g. operations with expenditure < €50k)
- Purchase cost of equipment is fully eligible (except where economic life falls outside of operation co-funded activity period and cost is > €1k) - section 3.7 of Circular
- YEI funding – section 3.8 of Circular
  - Costs eligible from 1 September 2013 (not 1 January 2014)
  - National definition of Not in Employment, Education or Training (NEETs)

# 2014-2020 ESF Eligibility Rules Circular (6)

- Ineligible expenditure – section 3.13 of Circular
  - Interest on debt
  - Purchase of infrastructure, land and real estate
  - Recoverable VAT
  
- Participant eligibility – section 3.16 of Circular
  - Activity's specific participant admissibility criteria met

**NB - Other participant and output/result data required but not considered part of the eligible expenditure rules!!**



**Thanks for Listening....**

**Questions Please!**