

COMMISSION DELEGATED REGULATION (EU) 2019/1867**of 28 August 2019****supplementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council with regard to the establishment of flat-rate financing**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1303/2013 of 17 December 2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 ⁽¹⁾, and in particular Article 67(5a) thereof,

Whereas:

- (1) With a view to simplifying the use of the European Regional Development Fund ('ERDF'), the European Social Fund ('ESF'), the Cohesion Fund, the European Agricultural Fund for Rural Development ('EAFRD') and the European Maritime and Fisheries Fund ('EMFF') financing and reducing both administrative burden and the risk of error, it is appropriate to lay down a flat rate for the reimbursement of costs to one or more beneficiaries of operations supported under technical assistance, without the need to justify the rate. This includes cases where the managing authority or the paying agency or another body is implementing technical assistance operations.
- (2) The level of the flat rate is based on the ceilings and the actual allocation for technical assistance in programmes as well as absorption data from past programming periods. The use of the flat-rate reimbursement method does not have an impact on the financial allocation for technical assistance in the adopted programmes. It may also be used in programmes supported by more than one fund even if the technical assistance priority receives support from a different fund than the one providing support for priorities other than technical assistance in the same programme.
- (3) In addition, in order to facilitate financial management within the existing programming arrangements, it should be specified for the ERDF, the ESF and the Cohesion Fund as well as for the EMFF that the basis for the application of the rate is the eligible expenditure under priority axes other than the technical assistance priority axis of the programme in which this flat-rate reimbursement method is used. Therefore, this flat rate is not to be used where a programme covers exclusively technical assistance. Furthermore, for the aforementioned Funds there is no requirement to amend the programme where this flat-rate reimbursement method is used.
- (4) It is necessary to specify that the basis for the application of the flat rate is the eligible expenditure for which the managing authority or the relevant control body has completed the management verifications or, in the case of the EAFRD, the relevant administrative checks.
- (5) In order to avoid the risk of double-financing where Member States make use of this option, the flat-rate financing should only be applied to expenditure that has been subject to management verification after this Regulation has entered into force and then until the end of the eligibility period. For the same reason, for the EAFRD, the flat-rate financing should only be applied to expenditure which has been subject to administrative checks as from the beginning of the agricultural financial year, as provided for in Article 39 of Regulation EU (No) 1306/2013 of the European Parliament and of the Council ⁽²⁾, starting on 16 October 2019 or from any subsequent agricultural financial year and then until the end of the eligibility period. In order to ensure sound financial management, Member States need to make sure that the amounts reimbursed in form of flat-rate financing are calculated based on expenditure of non-technical assistance projects, which is legal and regular.

⁽¹⁾ OJ L 347, 20.12.2013, p. 320.

⁽²⁾ Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 (OJ L 347, 20.12.2013, p. 549).

- (6) The flat-rate financing mechanism can only be used in accounting years which at the date of entry into force of this Regulation have not yet been closed. In order to allow for checks in the context of Article 9 and Article 47 of Regulation (EU) No 1306/2013 of the basis for the calculation of the flat-rate financing, for the EAFRD the flat-rate financing mechanism may only be used for expenditure as from the beginning of the agricultural financial year starting on 16 October 2019 or from any subsequent agricultural financial year.
- (7) In order to allow for prompt application of the measures provided for in this Regulation, in view of making use of it early enough in the current accounting year, and in the case of the EAFRD in the agricultural financial year starting on 16 October 2019, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*,

HAS ADOPTED THIS REGULATION:

Article 1

Subject matter

1. This Regulation establishes flat-rate financing for the reimbursement by the managing authority of the costs of operations financed under the priority axis concerning technical assistance at the initiative of Member States to one or more beneficiaries within a programme.
2. In the case of the EAFRD, this Regulation establishes flat-rate financing for the reimbursement by the Paying Agency or other body as referred to in Article 7(1) of Regulation (EU) No 1306/2013 of the costs of technical assistance operations at the initiative of Member States to one or more beneficiaries within a programme. In case a Paying Agency or other body is directly undertaking technical assistance operations, the reimbursement of the cost of these operations may also be established based on this flat-rate financing.

Article 2

Flat-rate financing

1. The overall amount to be reimbursed for operations financed under the priority axis concerning technical assistance in a programme may be calculated as a flat rate of the amounts of expenditure of operations under the priority axes of the programme other than the one concerning technical assistance. In the case of the EAFRD, technical assistance may be calculated as a flat rate of the amounts of expenditure of operations under the rural development measures referred to in Chapter I of Title III of Regulation (EU) No 1305/2013 of the European Parliament and of the Council ⁽³⁾.
2. This flat rate is established at 4 % for programmes supported by the ERDF, the ESF, the Cohesion Fund or the EAFRD and at 6 % for programmes supported by the EMFF. For programmes supported by the ERDF under the European Territorial Cooperation goal the flat rate is established at 6 %. The calculated amount may be reimbursed to one beneficiary or may be split for reimbursement to more beneficiaries.
3. Only expenditure which has been subject to management verifications in accordance with Article 125(4)(a) of Regulation (EU) No 1303/2013 following the entry into force of this Regulation may be included in the basis for the calculation of the flat rate as from the accounting year starting on 1 July 2019 or from any subsequent accounting year. In the case of the EAFRD, only expenditure which has been subject to administrative checks in accordance with Article 59 of Regulation (EU) No 1306/2013 as from the agricultural financial year starting on 16 October 2019 or as from any subsequent agricultural financial year may be included in the basis for calculation of the flat rate.
4. Where this flat-rate financing is used, it shall be exclusively applied until the end of the eligibility period for reimbursing the costs for technical assistance and, for the EAFRD, throughout the relevant agricultural financial year.

⁽³⁾ Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

Article 3

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 August 2019.

For the Commission
The President
Jean-Claude JUNCKER
