Focus Group 1

"Implementation of the bottom-up approach under LEADER Axis"

"specific aspects of implementation: running costs, complex and small scale projects"

Raffaella Di Napoli, Italy NRN

Leader subcommittee, 12 November 2010, Brussels

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Running Costs

The greatest obstacle is the 20% ceiling in programmes following the "third model" in the implementation of Leader and including animation costs.

In some cases this problem is compounded by difficulties arising in:

•securing bank guarantees for advances ;

•providing "own funding"

•ineligibility for VAT;

•payment delays.

Eligibility of running costs

• Consistency as regard the main categories of expenditure (operating costs, personnel costs, training costs)

• Inconsistencies:

- the "insurance, banking charges, etc" financial costs (almost equal split between RDPs treating costs as eligible or non-eligible);

- office rent (not eligible in EE, DE-Bayern, DE-Brandenburg, PT);

- remuneration of LAG board members (eligible in PL and ES but not in EL).

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Running Costs

Two funding systems are applied:

• one is based on **advance payments** which are subsequently reconciled with actual expenditure

• the other is based **refund payments**

• Both approaches have similarities in claim/payment frequencies and timings/delays, which in some cases are considered as too bureaucratic and slow

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Complex Projects

• **Definition:** projects consisting of several operations – package of actions eligible under several measures or under a Leader specific integrated measure and designed to implement a part of a local development strategy

• In the vast majority of programmes the measure-by-measure approach is predominant

•In a few programmes support to complex projects is possible :

- Approved projects: BE-Flanders, CZ, DE-Bayern, IE, ES (Aragon, Cataluña);

- Process launched for project approval : EL, IT (Piemonte, Calabria);

Programmes supporting Complex Projects

Diverse approaches:

• Thematic focus: "quality of place" in BE-Flanders, "tourism and local products" in EL, "cooperation" in ES-Cataluña;

• Limitation to Axis 3: BE-Flanders, IE, EL, IT-Piemonte, or

- Axis 4: DE-Bayern, ES-Aragon, ES-Cataluña;

• only in very few cases (CZ, IT-Calabria) it is possible to combine measures of Axes 1 and 2 with other measures.

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Complex Projects

Practical experiences obtained:

• "main project/ project chain " concept : main measure of the project representing more than 50% of eligible costs and secondary measures (CZ), predominance of the main measure rules (EL)

• single application for project using several measures (BE-Flanders, CZ, EL, DE-Bayern)

• recognition of complex projects in the project management I.T. tool. (BE-Flanders, CZ, EL, DE-Bayern)

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Small Scale projects

There are two broad categories of schemes:

• Formally established at RDP-level with own rules: FI, PL and LV, and one is planned in LT.

• LAG-level schemes ("local schemes for small projects") with the status of an approved project providing small grants (e.g. in SE and UK-Scotland)

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Small Scale projects at RDP level

- RDP-based schemes extensively used: 587 projects approved in Latvia and 1,335 contracts signed in Poland by October 2010.

- Generally assessed positively
- Progress made towards greater simplification (especially in the case of Latvia)

- In Poland simplification already done considered as not sufficient

- In Finland some LAGs are a little bit afraid of the responsibility of coordinating small sub-projects

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Small Scale projects

The experience of the LAG-based schemes offering a small grants / fast procedure has attracted a clear-cut and positive assessment in both programmes covered by the responses to the 2nd questionnaire:

- "simpler and faster" (UK-Scotland);
- "simpler" documentation for the applicant, a faster procedure and not so much heavy responsibility, the LAG take that one" (Sweden).

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THANK YOU FOR YOUR ATTENTION

For further information please contact the Contact Point
of the EN RD at the following e-mail address:
info@enrd.eu

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