

POLAND

Financial Instruments

Location

Poland

Programming period

2014 - 2020

Funding (EUR)

n/a

Duration

2015 – 2016

Implemented by

Poland's RDP Paying Agency

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Website

n/a

Poland's RDP allocated a 'lump sum' funding package for LEADER Local Actions Groups to help them prepare their Local Development Strategies for the 2014-2020 period.

The challenge

Simplified RDP administration is a goal for all RDPs and this is particularly useful for RDP support providing similar assistance to large numbers of similar beneficiaries. Such a case exists in Poland where as many as 300 LAGs are expected to be operational during the 2014-2020 period.

Preparatory support is a mandatory element of implementing LEADER and all LAGs in general have to carry out a similar set of activities: consultations with the local communities, drafting the strategy and carrying out information and promotion; this also requires some office space and staff to support this process. Under the standard approach, the costs of these activities would all need to be checked beforehand to ensure the costs are 'reasonable'. The expenditure would also need to be checked retrospectively during the claim process. Such controls create high administrative burdens for RDP authorities and LAGs. However, this may be avoided by using simplified cost options, provided that the basis of cost calculation can be properly estimated and justified.

Main steps and features

Lump-sums are a fixed amount of grant funding paid for specific activities/outputs or results, in this case the development of the Local Development Strategy (LDS). Each Polish LAG is awarded a lump-sum for preparing their LDS, independently of the actual costs it incurs, provided it meets the grant conditions.

In order to calculate those fixed amounts Ministry of Agriculture and Rural Development in cooperation with one region (implementing body) carried out the analysis of actual expenditure of LAGs in the 2007-2013 period. On the basis of this assessment lump sums were introduced. The size of the lump-sum grant varies depending on the LAG size (number of inhabitants), going from around €22 000 to €37 000 (three intervals).

The Polish LDS system will work as follows:

1. LAGs submit a very simple application form describing themselves and their territory, without a budget. Proof that the applicant has commitment from the local actors is required. This can be through membership or a declaration of support from at least one actor (per municipality) from each sector: public, business (including farmers), NGO and inhabitants.
2. Regional authorities will check if the application is in order (beneficiaries can be asked to correct obvious errors), and approve payment of the first tranche (70% advance of the total amount).
3. LAGs will have to meet certain basic requirements to be considered eligible as follows:
 - employ a certain minimum of staff (1, 1.5 or 2 FTE depending on the LAG size) for the time needed to prepare the strategy and at least 4 months afterwards;
 - establish an office open for a minimum number of hours per week

- run a website;
- carry out at least one strategy planning meeting in each municipality;
- submit an LDS which meets formal requirements of the call (does not have to be selected at the end). Submission of LDS is a precondition for the LAG to be paid a second tranche (30%), but this is the main output of the preparatory support, so if LAG does not meet this requirement, the whole lump sum grant will be considered ineligible.

The regional authorities will be notified in advance of the timetable of meetings and of the opening hours of the office in order to carry out spot checks. LAGs will have to

demonstrate that they have actually employed (and paid) the required number of staff - but there will be no checking of financial documents for eligibility. The amount of the lump-sum has been calculated so that it is sufficient to ensure a minimum of LAG activities, but it will have to be used with care, and some LAGs may have to rely on an additional input of voluntary work (and perhaps additional funding from the local authorities) in order to carry out all the necessary activities. On the other hand, this method offers them much more flexibility and reduces their administrative burden, allowing LAGs to concentrate on the essential task of developing the local strategy.

Results

LEADER momentum is sustained in Poland during the transition between RDP periods. Greater flexibility and reduction of administrative burden can lead to a better quality local strategies. LAG administration is simplified significantly and the wider potential for RDP Simplified Cost Options is demonstrated in Poland. An entirely new way of thinking will be developed among actors involved in LEADER delivery at all administrative levels.

Challenges and lessons

- This is totally new approach for both Managing Authority and Paying Agency and there was initially a lot of scepticism, but the RDP authorities are determined to make it work. The conditions linked to the lump sums make it clear that it is not “free money” but payments are made for clear results, while the difference in speed and administrative burden is truly revolutionary in comparison to the previous period. This initial experience has contributed to the decision to introduce simplified cost options (flat rates) are also for running and animation costs of LAGs in Poland.