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EUROPEAN RURAL PARLIAMENT - ROAD PROJECT

# THEME REPORT

## Simplification Practice in LEADER/CLLD

Brussels, 2019







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# 1. MAIN DEFINITIONS

**Lump Sum** - all eligible costs or part of eligible costs of an operation are calculated on the basis of a fixed amount subject to delivery of predefined activities, results and/or outputs. The grant is paid if the predefined terms of agreement on activities and/or outputs are completed.

**Flat Rate** - the EU regulations include certain ready-made specific flat rate financing systems. Article 68(1) CPR details a number of flat rate financing systems for indirect costs for which a calculation is not needed. One of them is the flat rate of up to 15% of the direct staff costs for indirect costs (Art. 68 (1) (b) Reg. 1303/2013). This flat rate financing can be applied for expenditure incurred under the sub-measure operational costs and animation.

Please see also Lump Sum and Flat Rate from European Parliament regulation no 1303/2013.

**Standard Scale Unit Costs** - in the case of standard scales of unit costs, all or part of the eligible costs of an operation will be calculated on the basis of quantified activities, input, outputs or results multiplied by standard scales of unit costs established in advance. This possibility can be used for any type of project or part of a project, when it is possible to define quantities related to an activity and standard scales of unit costs. Standard scales of unit costs apply typically to easily identifiable quantities.

**Umbrella project** - one way of strengthening the autonomy of the LAG is the use of umbrella projects or schemes. These are projects where the Managing Authority allocates a block of funding to the LAG (or in more decentralised schemes, the LAG allocates some of its budget to a local organisation), with which they then set up and deliver a targeted programme of support e.g. a small-scale grant scheme or programme targeting a specific priority theme, target group or area.

## 2. INTRODUCTION AND METHODOLOGY

The survey was conducted in the frame of the European Rural Parliament LEADER/CLLD theme work in order to explore good simplification practices that were used by LAGs and managing authorities across Europe.

The main aim of the survey was to contribute to the LEADER/CLLD legislative proposals to be used in Member States and also outside of the EU to design balanced legislation for the implementation of a LEADER bottom-up approach for the next programming period.

The survey took place in a 2-step format:

- Short Google questionnaire in order to identify the most beneficial examples;
- Detailed questions via e-mail or Skype/phone interviews to describe the specifics of the selected cases.

### The first step survey consisted of the following questions:

- Please name the main simplification practices for LEADER/CLLD implemented during the 2014-2021 period in your country (2-3 sentences max per practice).
- Which simplification practice(s) has most reduced the administrative burden of local action groups (LAGs)? Please give 1-2 especially important simplifications!
- Which practice(s) has most simplified the implementation of LAG transnational cooperation projects? Please give 1-2 especially important simplifications!
- Which practice(s) has most simplified the delivering of LAG animation activities? Please give 1-2 especially important simplifications!
- Which practice(s) has most simplified project implementation for project beneficiaries (local businesses, village associations, local municipalities, etc.)? Please give 1-2 especially important simplifications!
- Other comments, suggestions, thoughts related to simplification in LEADER/CLLD.

The second step, which was in more detail, concentrated on simplifications in four main categories (administration, animation, TNC, project beneficiaries) with the following clarifications:

- Short description of the practice (max 10 sentences)
- Main benefit of the practice - why this practice is important?
- Implementation mechanism - how this practice is implemented?
- Description of legislative regulation if relevant - translation of the article of the legislative act or a short description of the content.
- Recommendations how to develop this practice further if relevant.

Representatives of LEADER networks from **20 countries participated in the survey**: Austria, Bulgaria, Estonia, Denmark, Finland, Germany, Ireland, Italy, the Netherlands, Greece, Poland, Sweden, Slovenia, Slovakia, Bulgaria, Latvia, Lithuania, Moldova, Portugal, Romania. All the submitted cases were analysed and **10 good practices** were selected in total under the following categories:

- Administration
- Animation
- Transnational cooperation
- Project beneficiaries

The survey was prepared by ELARD's Vice-President Kristiina Tammets with valuable input and support from the ELARD members and Council team.

The outcome of the survey is available at [www.elard.eu](http://www.elard.eu)

## 3. MAIN RESULTS OF THE SURVEY

### 3.1. Simplification practices for reducing the administrative burden

In order to reduce the administrative burden, there are simplifications that LAGs have pointed out more frequently and these are:

- **Flat rate/lump sum for indirect costs**, which is usually 15% from direct salary costs. In some countries the % is higher, e.g. in Estonia 20%, Romania 20% and Finland 15% and 24%. In some countries the flat rate % is smaller, e.g. in Portugal 5%. There are countries where the flat rate % varies and depends on the total financial amount of the local development strategy and on whether the strategy is monofund or multifund. Approximately half of the countries that participated in the survey use a flat rate or lump sum option for indirect costs. These countries are: Austria, Finland, Estonia, Croatia, Germany, Greece, Sweden, Slovenia, Portugal, Poland, Romania;
- **Electronic systems for applications and payment claims** are available in almost all countries. If the system works well then it simplifies the administrative work of LAGs significantly. There is still a joint solution required for multifund implementation because different ESI funds use different e-systems and this causes a lot of administrative burden for LAGs. Very few countries have developed a joint system for all ESI funds (e.g. Bulgaria);
- **Standard Scales of Unit costs** are used for salaries (Austria), car travelling (Sweden), meeting costs (the Netherlands), etc.;
- **Lump sum** for implementation of a development or investment project for LAGs and NGOs (up to €100,000) (Finland).

### 3.2. Simplification practices for transnational cooperation projects

There are very few practices that simplify the implementation of transnational cooperation projects; these include:

- **Simple rules and flexible time schedule** of submitting TNC applications (Sweden, Estonia, Finland);
- **TNC projects are decided by LAG** (Sweden, Estonia, Finland);
- **Lump sum** for the preparation of the TNC project and unit costs for travels inside and outside Europe (Portugal). There are also lump sum practices in Romania where LAGs can get a €2,000 lump sum for the preparation of interterritorial cooperation and €5,000 for preparing transnational cooperation.

### 3.3. Simplification practices for animation

Simplifying LAGs animation activities is also quite rare and only a few examples exist across Europe, which are the following:

- **Lump sum** for umbrella projects (Finland, Austria);
- **Standard Scales of Unit costs** for meetings (the Netherlands);
- **Lump sum** for animation and drafting the Local Development Strategy (Poland, Portugal, Slovenia).

### 3.4. Simplification practices for project beneficiaries

For the project beneficiaries (local businesses, village associations, local municipalities, etc.), the following simplifications are available in some countries:

- **Flat rate** for indirect costs of 15% if the beneficiary is eligible for personnel costs (Estonia, Slovenia, Croatia);
- **Standard Scales of Unit costs** for salaries (the Netherlands);
- **Lump sum for umbrella projects (Austria, Finland, Moldova), starting up businesses (Poland) and for development and investment projects up to €100 000 (Finland);**
- **Electronic application** (most countries).

## 4. GOOD SIMPLIFICATION PRACTICES

| Category: ADMINISTRATION AND ANIMATION   |   |
|--|---|
| Country, National LEADER Network: <b>POLAND, Polish Network of LAGs</b>  |   |
| Contact person, contact e-mail: <b>Krzysztof Kwatara, kwatara@onet.pl</b>  |   |
| Title of the practice  | <b>Flat rate up to 25% from the project budget for operational and animation costs</b>  |
| Short description of the practice (max 10 sentences)   | <p>There are 8 rates from 16.5% to 25% (bigger LDS - smaller %) for monofunded LDS from EAFRD. For multifunded LDS - 10 rates from 13% to 16.5%. Rates depend on the population covered by the LAG.</p> <p>Eligible costs for operational and animation costs are very broad (salaries, rent, communication, promotional events, trainings, travel).</p> <p>The amounts for support under sub-measure 19.4 under the individual LDS depend on the amount of funding provided for support under sub-measure 19.2 (implementing LDS). There are 8 rates from 1 125 000 PLN (€262,000) to 2 650 000 PLN (€617,000). This applies to single-fund LDS. For multifunded LDS, the rates are slightly different.</p> <p>For the amount received, some conditions have to be fulfilled, such as:</p> <ul style="list-style-type: none"> <li>• organised offices and a roster for residents</li> <li>• employment of a number of employees in the Office (depending on the amount received)</li> <li>• running the website</li> <li>• announcements of calls for applications</li> <li>• providing advisory services</li> <li>• providing information actions</li> <li>• training of employees</li> </ul> |
| Main benefit of the practice - why this practice is important?   | Approved by results, no invoices.   |
| Implementation mechanism - how this practice is implemented?   | <p>LAG receives a portion of funds in advance and submits payment claims gradually with the implementation of LDS presenting the fulfilment of conditions.</p> <p>This is controlled by the Intermediary Institution in the Voivodship (region) acting on behalf of the Managing Authority (The Ministry of Agriculture and Rural Development).</p>   |
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | <p>Regulation of the Minister for Agriculture and Rural Development of 23 October 2015 on the specific conditions and modalities for granting financial assistance under the sub-measure "support for operational and activation costs" covered by the 2014-2020 Rural Programme Development.</p> <p>A study was performed at the Ministry to determine the quotas and conditions based on historical data from the period 2007-2014.</p>   |
| Recommendations how to develop this practice further if relevant   | <p>Both LAGs and intermediate bodies are not prepared mentally for the use of lump sums; hence the checks on the part of Intermediate bodies still include checking the eligibility and rationality of costs. It should be assumed that it will change over time, which is already apparent as successive checks are made. The LAG is equally like the public institution concerned with the rational disbursement of obtained funds.</p> <p>The use of lump sums in this respect should be fully recommended for all LAGs in Europe.</p>   |

## Category: ADMINISTRATION AND ANIMATION

Country, National LEADER Network: **ESTONIA, Estonian LEADER Union**

Contact person, contact e-mail: **Kristiina Tammets, kristiina@tas.ee, +372 5340 9873**

| Title of the practice  | Flat rate from 20% direct personnel costs for LAG and 15% for project beneficiaries.  |
|--|---|
| Short description of the practice (max 10 sentences)   | Indirect costs include:<br>Office appliances; phone and postal expenses; IT and website management; office equipment, such as computers, printers, servers and their maintenance, etc.; office rent and communal expenses; office furniture; bank transaction fees; car maintenance expenses and fuel.  |
| Main benefit of the practice - why this practice is important?   | While designing the framework for the programme period, the Estonian University of Life Sciences conducted a survey about time spent on controlling all LAG documents by the Paying Agency. The university undertook recommendations on which costs should be included in the flat rate in order to save time and money on controlling. It is a huge saving of time for LAG managers and Paying Agency employees.   |
| Implementation mechanism - how this practice is implemented?   | With a payment claim, LAG submits the personnel costs and the payment done by the Managing Authority is an additional 20%.  |
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | <p>Based on</p> <ul style="list-style-type: none"> <li>- Art. 67 (1) d Regulation (EU) No 1303/2013: Forms of grants &amp; calculation methods</li> <li>- Art. 68 (1) a: Flat rate financing for indirect costs and staff costs</li> </ul> <p><b>National legislation: §18. The reimbursement of indirect eligible costs</b></p> <p>(1) The indirect eligible costs that have incurred in the course of the LAG's functioning and the stimulation of the area of operation, including while preparing a national cooperation project, shall be reimbursed according to regulation (EU) No 1303/2013 of the European Parliament and of the Council, which establishes 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, as well as general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repeals Council Regulation (EC) No 1083/2006 (ELT L 347, 20.12.2013, pp. 320-469), article 67 section 1 subsection d and article 68 section 1 subsection a, according to a flat rate that is up to 20% of direct eligible costs.</p> <p>(2) The following costs related to the functioning of the LAG and the stimulating of the area of operation shall be treated as indirect eligible costs:</p> <ol style="list-style-type: none"> <li>1) office supplies related costs;</li> <li>2) telecommunication charges, incl. telephone and postal charges;</li> <li>3) information technology charges, incl. website management costs, buying, leasing and renting of office equipment and the costs related to the maintenance and fixing of servers, networks and office equipment;</li> <li>4) utility costs related to the office of the LAG, incl. heating, water and electricity and maintenance related costs;</li> <li>5) rent of the LAG's office;</li> <li>6) surveillance service related costs;</li> <li>7) bank transaction fees;</li> <li>8) relevant transport costs;</li> <li>9) service and maintenance fees related to the vehicle that is either owned or leased by the LAG;</li> <li>10) motor vehicle insurance and comprehensive motor insurance;</li> <li>11) costs related to the buying, renting and leasing of office furniture;</li> <li>12) costs listed in §16, section 2, subsections 2-10 and §16, section 3, the price of which excluding VAT is less than 10 euros if the costs are related to the ordering of a service or work or the purchasing of goods.</li> </ol> |

|  |  |
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|  | <p><b>(3)</b> The following personnel costs related to the carrying out of support activities shall be regarded as direct eligible costs:</p> <ol style="list-style-type: none"> <li>1) staff costs of the employee, official and expert carrying out the activities, incl. pay, salary, extra pay, bonus pay, holiday pay or holiday benefit;</li> <li>2) compensation related to dismissal, termination of an employment contract and other statutory compensations;</li> <li>3) statutory taxes and fees on the costs listed in sections 1 and 2, incl. social tax, unemployment insurance premium and the employer's share of the sickness benefit;</li> <li>4) fees paid according to a contract or authorisation agreement made with a natural person and the social tax and unemployment insurance premium paid respectively.</li> </ol> <p><b>(4)</b> According to the simplified form of reimbursement, the real cost and payment for the indirect eligible costs shall not be proven or checked when the grant for the LAG is disbursed.</p> |
| Recommendations how to develop this practice further if relevant | In the new period, all LAG administrative and animation costs could be at a flat rate or lump sum. There is a possibility to increase the flat rate % or design a lump sum system.   |

| Category: ADMINISTRATION   |  |
|--|--|
| Country, National LEADER Network: <b>AUSTRIA, LEADER-Forum Austria</b>           |  |
| Contact person, contact e-mail: <b>Stefan Niedermoser, niedermoser@regio3.at</b> |  |
| Title of the practice  | Staff costs with standard scales of unit costs: follows the formula:<br>working hours x hourly rate  |
| Short description of the practice (max 10 sentences)                             | $\text{Hourly rate (SSUC)} = \frac{\text{gross annual salary}^2 \times \text{payroll-related costs factor}^3}{\text{factor 1 or 2 for average working hours}^4 \times \text{factor for reduced hours}^5}$ <p>For personnel cost a method for Standard Scale Unit Cost (SSUC) is used. The application of SSUC follows the formula: working hours x hourly rate. For the definition of the latter, the "gross annual salary" serves as assessment basis and it is calculated on the basis of the formula:</p> <p>2= For this value, two variants are used: without or with overtime</p> <p>3= Payroll related costs are different types of insurance including accident, retirement and health insurance, as well as subsidies, employer's contribution, municipal tax, etc.</p> <p>4= Factor 1 (week of 40 hours - vacations+ holidays without overtime, 1800 working hours) and factor 2 (working hours with overtime, 1980 hours)</p> <p>5= In case of weekly working hours of less than 40 hours the factor must be reduced accordingly</p> |
| Main benefit of the practice - why this practice is important?                   | Simplification in projects with staff costs as you once set the hourly rate in a project and you just need the worked hours for accounting.  |
| Implementation mechanism - how this practice is implemented?                     | It was implemented at the beginning of the period 2014-2020 by writing this option in the National Programme.  |

|  |   |
|--|---|
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | Based on<br>- Art. 67 (1) a,b,c Regulation (EU) No 1303/2013: Forms of grants & calculation methods<br>- Art. 68: Flat rate financing for indirect costs and staff costs<br><br>National legislative act: Austrian Programme for the Development of Rural Areas |
| Recommendations how to develop this practice further if relevant   | Just some small changes are necessary; e.g.<br>how to deal with illness, time on maternity leave, etc.  |

### Category: ADMINISTRATION

Country, National LEADER Network: **ESTONIA, Estonian LEADER Union**

Contact person, contact e-mail: **Kristiina Tammets, [kristiina@tas.ee](mailto:kristiina@tas.ee), +372 5340 9873**

| Title of the practice  | Time sheets requirement disclaimer  |
|--|---|
| Short description of the practice (max 10 sentences)   | The amendment provides the opportunity to waive time sheets in a situation in which a person works in one organisation but their pay comes from various different sources.<br>1. For example, in a situation in which some of the work is done for a certain project and some for the action group, some of the pay comes from the action group's grant and some from the costs of the project. However, in such a case, time sheets can still be filled in, but this is not compulsory.<br>2. If an employee works part time, all conditions (work load, tasks, etc.) shall be stated in the contract, and no additional time sheets need to be submitted. |
| Main benefit of the practice - why this practice is important?   | There is no need to submit time sheets to the Paying Agency, which reduces the administrative burden of the LAG and Paying Agency.  |
| Implementation mechanism - how this practice is implemented?   | LAG defines the proportions of the workload for different projects and administrative work of LAG in the employment contract. This is enough for the Paying Agency to make payments and there is no need to submit time sheets.   |
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | 1303/2013 article 68a paragraph 5<br><br>National legislation: time sheets do not need to be submitted if the staff costs of the party receiving the grant are calculated according to section 5 of article 68a, regulation No 1303/2013 of the European Parliament and of the Council (EU), and the contracts brought in subsection 4 of section 1 include the proportion of staff costs related to the supporting activity in the gross amount of staff costs.  |
| Recommendations how to develop this practice further if relevant   | This is a very new practice and it certainly needs some more dissemination among LAGs. Examples of descriptions of the articles of employment contracts would be useful.  |

## Category: TRANSNATIONAL COOPERATION

Country, National LEADER Network: **PORTUGAL, Minha Terra Network**

Contact person, contact e-mail: **Luís Chaves**, [lmchaves@minhaterra.pt](mailto:lmchaves@minhaterra.pt), +351919578282  
**David Canaveira**, [davidcanaveira@minhaterra.pt](mailto:davidcanaveira@minhaterra.pt), +351217819230; [minhaterra@minhaterra.pt](mailto:minhaterra@minhaterra.pt)

|  |  |
|--|--|
| <b>Title of the practice</b>   | <b>Lump sum for the preparation of cooperation projects: €5,000 for inter-territorial and €8,300 for the preparation of TNC projects (90% support rate), justified with a detailed report.</b>   |
| Short description of the practice (max 10 sentences)   | In accordance with the Specific Technical Guidance (STG) of the Managing Authority of the Rural Development Program of the Mainland (Portugal) for the implementation of LAG cooperation, the lump sums of EUR 5,000 and 8,300 are set aside for the preparation of inter-territorial cooperation projects and transnational cooperation projects, respectively.   |
| Main benefit of the practice - why this practice is important?   | Simplifies the management of preparatory work to establish cooperation projects; reduces paperwork.  |
| Implementation mechanism - how this practice is implemented?   | <p>The MA opens calls under the cooperation measure at the same time for interterritorial and transnational projects and also for the preparation of these projects.</p> <p>Applications are analysed by the MA.</p> <p>LAGs can develop their preparatory activities after the application.</p> <p>LAGs present a detailed activity report on the preparatory actions with supporting documents (lists of attendance, photos, boarding cards... without financial documents) to the MA for approval.</p> <p>Then, the LAGs can submit a claim in the Payment Agency IT system by attaching the report already approved by the MA (no need for justifications of payment), asking for reimbursement of the <i>lump sum</i> (90% of €5,000 for interterritorial and 90% of €8,300 for TNC).</p> <p>Topics for reflexion: LAGs only have access to funding after doing all the preparatory work.</p> |
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | It is defined in the Decree Law No. 159/2014 of 27 October, particularly in the Point 2 of Article 7 that grants, repayable or non-repayable, may take the form of " <i>lump sums of up to EUR 100 000 of public contribution</i> ". The values mentioned were defined in Ordinance 252/2017 of 7 August (Annex II).   |

## Category: ANIMATION

Country, National LEADER Network: **PORTUGAL, Minha Terra Network**

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**David Canaveira**, [davidcanaveira@minhaterra.pt](mailto:davidcanaveira@minhaterra.pt), +351217819230; [minhaterra@minhaterra.pt](mailto:minhaterra@minhaterra.pt)

| Title of the practice  | LAGs capacity building, territorial diagnostic and LDS design (measure 19.1) - lump sum of €25,000 for approved rural LAGs   |
|--|--|
| Short description of the practice (max 10 sentences)   | <p>The Managing Authority opened a call for applications. The tender amount was then allocated to the selected LAGs in one go (EUR 25,000 each).</p> <p>The amount of €25,000 was defined by the MA. After a study on the effective costs, LAGs had to establish the LAG and prepare the LDS in previous programming periods.</p> <p>After being selected, LAGs submitted a single claim without financial documents to the Payment Agency, where the only document to justify the reimbursement was the approved LDS.</p>   |
| Main benefit of the practice - why this practice is important?   | Supported the preparation of the Local Development Strategies in a simple, quick and effective way.  |
| Implementation mechanism - how this practice is implemented?   | <p>A call with a budget allocation of €1,350,000 was opened by the Managing Authority (MA) of the Rural Development Programme of the Mainland, in Portugal in August 2015 to support the costs of preparing the Local Development Strategies (Notice 01/10.1.1.1/2015).</p> <p>Support corresponded to the allocation of a €25,000 lump sum to each approved LAG/LDS to support training, interpretative studies of the intervention territory, consultancy costs, stakeholder consultation costs and other administrative costs, including operational and human resources.</p> |
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | Defined in national legislation by Article 7 of Ordinance No. 245/2015, of 14 August which states: <i>"The support provided...shall take the form of a non-refundable grant in the form of simplified costs...for a fixed amount of EUR 25,000 per beneficiary."</i>   |
| Recommendations how to develop this practice further if relevant   | Topics for reflexion: only approved LAGs/LDSs had access to this support.  |

## Category: ANIMATION

Country, National LEADER Network: **The Netherlands, LEADER Network Netherlands**

Contact person, contact e-mail: **Bart Soldaat**, [info@leader-hollandrijnland.nl](mailto:info@leader-hollandrijnland.nl)

| Title of the practice  | Lump sum for meeting cost (hire of room, catering)   |
|--|--|
| Short description of the practice (max 10 sentences)   | The practice was that you had to ask for quotes from multiple venues if you wanted to organise a meeting (e.g. LAG meeting, event, workshop, etc.). Now it is accepted to claim a lump sum per participant providing you can present an attendance list with the names and signatures of the people that participated. |
| Main benefit of the practice - why this practice is important?   | It saves time because you don't have to ask multiple venues for quotes. Also quotes tend to not always correspond with the invoice (e.g. last minute cancellations) leading to questions from or problems with the payment authority.  |
| Implementation mechanism - how this practice is implemented?   | See above  |
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | It is not based on a specific regulation, but on guidelines that are established by the Management and Payment Authorities.  |
| Recommendations how to develop this practice further if relevant   | Benchmark numbers could be established as a basis for the lump sum per person.   |

## Category: LAG ANIMATION AND PROJECT BENEFICIARIES

Country, National LEADER Network: **FINLAND, Finnish Villages**

Contact person, contact e-mail: **Mervi Niemi-Huhdanpää, [mervi.niemi-huhdanpaa@aisapari.net](mailto:mervi.niemi-huhdanpaa@aisapari.net)**

| Title of the practice  | Lump sum for implementation of a development or investment project (up to €100,000)   |
|--|---|
| Short description of the practice (max 10 sentences)   | <p>A lump sum in Finland is possible for local NGOs and LAGs if they have their own animation and development projects (not administration), but not commercial companies.</p> <p>Project management takes a lot of time and it should be easier. In the new programming period, projects are more results based.</p> <p>We now want to develop good practices, which we can improve for the next period. The project plan has to be well planned out and costs cleared.</p> <p>There have to be clear steps/parts (including content and costs) and an explanation on how they are to be realised (pictures, reports, etc.).</p> <p>It is not possible to change the content of the project plan during implementation of the project.</p> <p>The only change that is possible is execution time.</p> <p>At first, this is used in development and investment projects, but it will later be used in other projects too.</p> |
| Main benefit of the practice - why this practice is important?   | <p>When the project is well planned it is easier to make decisions and to pay according to steps/parts.</p> <p>Approving by results, no invoices.</p>   |
| Implementation mechanism - how this practice is implemented?   | <p>The first decisions were made in autumn 2019 and some projects have been completed. All parties have mostly been satisfied to date.</p>  |
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | <p>Laki maaseudun kehittämisen tukemisesta 2014/28 and Valtioneuvoston asetus maaseudun hanketoiminnan tukemisesta 2014/1174 (Law rural development 2014/28 and regulation 2014/1174).</p> <p>Planning the project is not actually different from the regular project planning. The project can be divided into several parts that form clear entities, with the number of parts not limited.</p> <p>The beneficiary must ensure that they implement the project as planned because changes are not possible in a lump sum project.</p> <p>The reasonableness of the costs is evaluated with a draft budget on a case by case basis ex-ante. The application of payment must include the final report where the outcome is verified with pictures, YouTube links, etc. The grant may be paid with 3 payments. The last payment will be paid when the last part is finished as planned.</p>                                    |
| Recommendations how to develop this practice further if relevant   | <p>Only a few projects have been implemented so far because the practice started 2019. Developing and implementation of good practices based on completed projects.</p>   |

## Category: PROJECT BENEFICIARIES

Country, National LEADER Network: **AUSTRIA, LEADER-Forum Austria**

Contact person, contact e-mail: **Stefan Niedermoser, niedermoser@regio3.at**

| Title of the practice  | The small projects up to 5.700 Euros and the implementation of umbrella projects for 19.2.1 LEADER   |
|--|--|
| Short description of the practice (max 10 sentences)   | <p>Not competitive projects</p> <p>Beneficiaries are exclusively non-profit organisations/non-governmental organisations or groups of non-organised people with a charitable purpose.</p> <p>The amount of lump sum appropriations is limited to a total of 5% of the total LAG budget.</p> <p>The same sponsor can be granted a lump sum for small projects on three occasions at most within the funding period.</p> <p>The project applicant only hands in the project description; LAG approves it and sets a lump sum. After execution of the project the applicant hands in a project report and gets the money. No invoices etc. are necessary.</p> |
| Main benefit of the practice - why this practice is important?   | <p>Focus on impact in small projects and not on bureaucratic regulations.</p> <p>Bringing some new stakeholders (youth, social) in the LEADER process, because they often do not have the capacity for the regular LEADER process.</p>   |
| Implementation mechanism - how this practice is implemented?   | <p>It was implemented at the beginning of the period 2014-2020 by writing this option in the National Programme.</p>   |
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | <p>Umbrella Regulation in 2018</p> <p>National legislative act: Austrian Programme for the Development of Rural Areas</p>  |
| Recommendations how to develop this practice further if relevant   | <p>Rise the limit from €5,700 to €100,000 by using the draft budget option in the new legal proposals.</p>   |

## Category: PROJECT BENEFICIARIES

Country, National LEADER Network: **POLAND, Polish Network of LAGs**

Contact person, contact e-mail: **Krzysztof Kwatara, kwatara@onet.pl**

| Title of the practice  | Lump sum for people who start a new business   |
|--|--|
| Short description of the practice (max 10 sentences)   | <p>People (but also co-partnerships) who start a new business obtain an exact quantity of money determined by LAG (there maybe more than one rate). This amount is between 50,000 PLN (€11,745) and 100,000 PLN (€23,490).</p> <p>The beneficiaries need to spend 70% of this quantity of money and obtain this determined amount of money e.g. the lump sum is 80,000 PLN (€18,795); the applicant needs to spend 60,000 PLN (€14,095) to obtain 80,000 PLN (€18,795). This opportunity is available to residents (co-partnerships) of the LAG area who have not carried out their business for the past two years. It is not available for farmers (in this procedure by LAG) but it is available for them under another measure directly from the Paying Agency.</p> <p>The Intermediate Body (on behalf of The Managing Authority and The Paying Agency) checks the <i>eligibility of expenditures</i> spent by the applicant.</p> |
| Main benefit of the practice - why this practice is important?   | <p>People know how much they will obtain if they have spent over 70% of the determined costs in the business plan.</p>   |
| Implementation mechanism - how this practice is implemented?   | <p>LAGs make calls for applications. It is a popular and well realised sub-measure because also other things like an amount of money for start-ups bigger than in other sources, advance payment of 80% of the total amount of funding.</p>  |
| Description of legislative regulation if relevant - translation of the article of legislative act or short description of the content. | <p>“The Regulation of the Minister for Agriculture and Rural Development of 24 September 2015 on the specific conditions and modalities for granting financial assistance under the sub-measure ‘support for the implementation of operations under the local development strategy led by the community’ covered by the rural Development Programme for the period 2014-2020.”</p> <p>The regulation governs the implementation of the LDS, including the starting of a business activity.</p>   |
| Recommendations how to develop this practice further if relevant   | <p>It is a “quasi” lump sum due to the checking of the eligibility of expenditures by the Intermediate Body (Paying Agency). The recommendation is not to check any costs but only to control the results.</p> <p>Another recommendation is the availability of lump sums for other projects, not only business ones but others, which in particular are supported by not a large amount of money.</p>   |

## MAIN CONCLUSIONS

- There are already some good practices in the Member States in use but still **the real potential of the simplification is less used** for all kinds of activities and beneficiaries and especially for TNC and LAG animation where there are only very few simplification examples in Europe.
- Member States are taking their very first steps in simplifying the LEADER/CLLD implementation and therefore simplification is rather fragmented. We need a more **holistic approach on Member State level** and to provide LAGs and beneficiaries with simplification as a package of many different tools. At the moment, there are so few tools in use that the effect of simplification is not recognised by LAGs and beneficiaries. Poland has the most holistic approach for simplification in LEADER/CLLD at the moment. Bulgaria has a joint electronic application and monitoring system for all ESI funds.
- There is a need for dialogue, training and experience exchange between countries and different funds. **Deepened mentoring and expert support** for LAGs, Managing Authorities and Paying Agencies would be very beneficial. There is a need for the national LEADER/CLLD simplification working group.
- EU policy is changing in the 2021-2027 programming period with the emphasis on evaluation from procedures to performance. This enables radical changes in simplification measures, which Member States should undertake.

## ANNEX 1. OVERVIEW OF MAIN SIMPLIFICATIONS IN ELARD MEMBER COUNTRIES

| No | Country               | Flat rate   | Lump sum  | Standardised Scales of Unit Costs                                     |
|----|-----------------------|---|---|---|
| 1  | Austria               | 15% of direct personnel costs   | €5,700 for umbrella projects  | For salaries  |
| 2  | Bulgaria              | -   | -   | -   |
| 3  | Croatia               | 15% of direct personnel costs   | -   | -   |
| 4  | Denmark               | -   | -   | -   |
| 5  | Estonia               | 20% of direct personnel costs   | -   | -   |
| 6  | Finland               | 15% or 24%  | Up to €100,000 for development and investment projects  | -   |
| 7  | Germany*              | 15% of direct personnel costs   | -   | X   |
| 8  | Greece                | 15% of direct personnel costs   | -   | -   |
| 9  | Ireland               | -   | -   | -   |
| 10 | Italy                 | -   | -   | -   |
| 11 | Latvia                | -   | -   | -   |
| 12 | Lithuania             | -   | -   | -   |
| 13 | Netherlands           | -   | -   | For meetings  |
| 14 | Poland                | Up to 25% from project's implementation budget for running and animation costs. | €11,745-23,490 for business start-ups   | -   |
| 15 | Portugal              | 5% of direct personnel costs  | €25,000 for LDS drafting, Preparation of cooperation projects: €5,000 for inter-territorial and €8,300 for TNC projects | €1,250 for travelling in Europe; €2,700 for travelling outside Europe |
| 16 | Republic of Moldova** | -   | Umbrella type projects up to €20,000  | -   |
| 17 | Romania               | 20% of direct personnel costs   | Preparation of cooperation projects - €2,000 for interterritorial, €5,000 for transnational                             | -   |
| 18 | Slovakia              | -   | -   | -   |
| 19 | Slovenia              | 15% of direct personnel costs   | €20,000 for LDS drafting  | -   |
| 20 | Sweden                | 15% of direct personnel costs   | -   | For car travels   |

\* in some federal states

\*\* sub-granting scheme in Moldova similar to umbrella, lump sum

## ANNEX 2. CONTACT LIST OF PERSONS WHO PARTICIPATED IN THE SURVEY

| No | Country                | Name of the LEADER Network/<br>Organisation                      | Name of the contact<br>person for the survey | E-mail, phone, Skype name   |
|----|------------------------|--|--|---|
| 1  | Austria                | LEADER-Forum Austria   | Stefan Niedermoser                           | niedermoser@regio3.at   |
| 2  | Bulgaria               | Association Bulgarian National LEADER network                    | Neli Kadieva                                 | leader_network@abv.bg<br>+369 88 7610 551                             |
| 3  | Croatia                | LEADER Network Croatia   | Bojana Markotic Krstinic                     | glavni.tajnik@lmh.hr<br>+385 91 4085 366                              |
| 4  | Denmark                | Landdistrikternes Fællesråd                                      | Kirsten Birke Lund                           | kirsten@birke-lund.dk<br>+45 5223 0204<br>birke.lund                  |
| 5  | Estonia                | Estonian LEADER Union  | Kristiina Tammets                            | kristiina@tas.ee<br>+372 5340 9873                                    |
| 6  | Finland                | Finnish Villages   | Marjo Tolvanen                               | marjo.tolvanen@sepra.fi<br>+358 44277 4513<br>Marjo Tolvanen          |
| 7  | Finland                | Aktiivinen Pohjois-Satakunta ry                                  | Krista Antila                                | +358 50 5206 396  |
| 8  | Finland                | Leader AISAPARI  | Mervi Niemi-Huhdanpää                        | mervi.niemi-huhdanpaa@aisapari.net                                    |
| 9  | Germany                | Association LEADER Germany,<br>BAG LAG                           | Marlene Rosenberger                          | marlene.rosenberger@baglag.de   |
| 10 | Greece                 | HELENIC NETWORK OF LAGs/FLAGs,<br>CLLD/LEADER                    | Anastasios Perimenis                         | amperimenis@etal-sa.gr  |
| 11 | Ireland                | FORUM Connemara CLG  | FORUM  | j.conaty@forumconnemara.ie  |
| 12 | Ireland                | Irish Local Development Network                                  | Eamonn O'Reilly                              | eamonnoreilly@newkd.ie<br>00 3538 7967 7034                           |
| 13 | Italy                  | LEADER Network Basilicata - Italy                                | Nicola Vita                                  | vita@lacittadelladelsapere.it<br>+393 88 1853 677<br>nicolavita1983   |
| 14 | Latvia                 | Latvian Rural forum  | Alina Lukjanceva                             | alina.lukjanceva@pierigaspartneriba.lv<br>+37126491191<br>alinchiks86 |
| 15 | Lithuania              | Lithuanian Rural Communities Union                               | Povilas Saulevičius                          | psaulevicius@gmail.com<br>+370 6154 7871                              |
| 16 | Netherlands            | LEADER Network Netherlands                                       | Jarne Heuff                                  | J.m.heuff@provinciegroeningen.nl                                      |
| 17 | Netherlands            | LEADER Network Netherlands                                       | Bart Soldaat                                 | info@leader-hollandrijnland.nl  |
| 18 | Poland                 | Polish Network of LAGs   | Krzysztof Kwatara                            | kwatara@onet.pl   |
| 19 | Portugal               | MINHA TERRA NETWORK  | Luís Chaves                                  | lmchaves@minhaterra.pt +351919578282                                  |
| 20 | Republic of<br>Moldova | National LEADER Network in the<br>Republic of Moldova            | Marina Albu                                  | marina.albu@solidarityfund.md<br>+373 60 233 312                      |
| 21 | Romania                | FNGAL- National Federation of Local<br>Action Groups in Romania  | ILIEȘ REMUS IONUȚ                            | officeglobalmail@gmail.com  |
| 22 | Romania                | FNGAL - National Federation of Local<br>Action Groups in Romania | Maria Hudema                                 | maria.hudema@fngal.ro<br>+407 5852 1935                               |
| 23 | Slovakia               | National Network of Local Action<br>Groups in Slovakia           | Martin Jurikovic                             | info@sietmas.sk   |
| 24 | Slovenia               | Slovenian Rural Development Network                              | Goran Soster                                 | goran.soster@guest.arnes.si   |
| 25 | Sweden                 | Lokal utveckling Sverige (LUS)                                   | Sören Oscarsson                              | soren@3sam.eu<br>+46 (0)703606023<br>Sören Oskarsson                  |





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