

Informal Meeting of Rural Development Directors

**Implementation of EIP projects within the RDPs:
Managing Authorities perspective**

“...an idea put into practice with success...”

SCOPE OF THE PRESENTATION

- To tackle practical issues for the implementation of EIP operations within the RDPs...
- ...avoiding theoretical questions such as “what is the essence of innovation” or “what is best way to spread innovation”...
- ...because it is not the right time and the right place for such questions.
- Regulatory framework is taken for granted !

OUTPUTS OF THE PRESENTATION

- No answers from this presentation, just considerations and questions for exchange of ideas
- Raise awareness of participants on what could be done during next weeks
- Provide "knowledge basis" for the afternoon workshops
- Offer a contribution for the next EIP Seminar "Launching Operational Groups and EIP Networking in Rural Development Programmes" (Bruxelles 18-19th November 2014)

METHODOLOGY

Examination of a series of issue through the following scheme:
Assumptions – Considerations – Questions

Considerations take into account the following principles:

- **Sound financial management:**
 - **Economy:** resources shall be made available in due time, in appropriate quantity and quality and at the best price
 - **Efficiency:** best relationship between resources employed and results achieved
 - **Effectiveness:** attainment of the specific objectives set and the achievement of the intended results
- **Protection of financial interest of EU:**
 - **Regularity of expenditure:** avoiding financial correction and reduction of error rate

RELEVANT IMPLEMENTATION ISSUES

- Selection procedures
- Projects description
- Double phase selection
- Beneficiaries
- OG internal procedures
- Direct costs
- Simplified costs options
- Payment of advances
- Double funding
- Durability of operations
- Aid intensity
- State aid clearance

A) SELECTION PROCEDURE 1/2

Assumptions: art. 49 of EU Reg. 1305/2013 applies. Selection criteria have to be defined. They need to be referred/linked to both quality of partnerships and quality of operational plans

Considerations:

Effectiveness: selection criteria have to be suitably set in order to reach the objectives

Effectiveness: adequate expertise is needed for the assessment of operational plans' quality (and this kind of qualified competence is barely available within MAs)

A) SELECTION PROCEDURE 2/2

Questions:

How to properly balance the criteria related to partnerships quality of in respect to criteria related to plans quality?
[Effectiveness concerns]

Given the wide range of expertise needed for plans assessment, what arrangements are appropriate in order to provide MAs the necessary skills? [Effectiveness concerns]

Could it be suitable to set up an expert panel from which MAs draw Human Resources for selection ? What about the costs ? [Efficiency]. How long does it takes to set up this panel and make it operational ? [Economy]

B) PROJECTS DESCRIPTION 1/2

Assumptions: the drawing up of a plan, containing a proper description of the innovative project, is an eligibility condition.

Considerations:

Effectiveness: in order to meet the EIP goals, a clear description of the work plan is necessary, together with the agreements between the partners and of the activities to carry out

Regularity: in case of project failure, it is important to know exactly what project steps have already been delivered for eligible expenditure quantification

B) PROJECTS DESCRIPTION 2/2

Questions:

What are the minimal elements that operational plans have to include ? How many details ? Could a template be useful?

How to help OG to draw a good operational plan ? How could Innovation Support Services be properly used for drawing up the plans ?

How could a proper selection procedure be set in order to address OG to draw a good operational plan ?

C) DOUBLE PHASE SELECTION PROCEDURE 1/2

Assumptions: setting up of OGs and definition of group's project take place in different times. During the setting up phase, the projects are not well defined but funding is needed. A double selection phase is an option: first phase setting up of OG, second phase projects selection

Considerations:

Economy: double phase selection can assure that funding is timely available

Effectiveness: double phase selection can improve projects quality and measure take

Regularity: double phase selection avoids errors in supporting expenditures realized before application's submission

C) DOUBLE PHASE SELECTION PROCEDURE 2/2

Questions:

First phase selection: taking into consideration that two entities is the minimum number of partners of the OP, can they belong to the same category (i.e. two farmers, two research bodies)? [Effectiveness]

How to avoid the risk of “simulated partners”? [Regularity]

Provided that a lump sum approach is encouraged for the first phase, how to set the correct amount? What experiences? How to check? [Regularity]

What about eligibility in case of failure of setting up process? [Efficiency, Regularity]

D) OPERATIONAL GROUP AS BENEFICIARY 1/2

Assumptions: if an OG is the beneficiary of support either has a clear legal identity or has a documented rule attributing liability among members

Considerations:

Regularity: if beneficiary is not well identified it will not be possible to attribute responsibilities and to pay or recover money

D) OPERATIONAL GROUP AS BENEFICIARY 2/2

Questions:

What kind of legal entities can be eligible in order not to discourage OG take up (on one side) and to ensure legal certainty for liability (on the other side) ? [Effectiveness]
[Regularity]

What kind of document is needed to have grant certainty in attributing liability ? What is its content ? [Regularity]

What about appointing a lead-entity within the group ?
[Efficiency]

How to avoid that lead-entity declares expenditure not directly incurred ? [Regularity]

E) OPERATIONAL GROUP INTERNAL PROCEDURES

Assumptions: OG have to establish internal procedures assuring that their operation and their decision making is transparent and that conflict of interests is avoided

Considerations:

Regularity: a special report of ECA showed serious deficiencies on similar topics in relation to 2007-2013 Leader approach. A solution was found through some amendments of RD regulations.

Questions: provided that regulations for 2014-2020 do not have specific provision on that topic for EIP, what is the best approach to be followed by MAs? Would it possible to borrow the CLLD approach? [Regularity]

F) DIRECT COSTS PAYMENTS 1/2

Assumptions: direct costs for projects implementation are eligible through: a) cooperation measure as a global amount; b) other RD measures

Considerations:

Efficiency: option a) allows a simpler procedure for beneficiaries (only one application) and a lower administrative burden

Effectiveness: option b) could bring the implementation of OG's projects at risk if operations in other RD measures were not selected

Effectiveness: option a) can allow funding (through EAFRD) type of costs not covered by other RD measures

F) DIRECT COSTS PAYMENTS 2/2

Questions:

Option a): while providing a global grant could be simpler for beneficiaries it could be, at same time, more burdensome for MAs (i.e. more time for selection, higher complexity for non RDP measures, higher error risk). How to set the correct trade off with option b ? [Efficiency] [Economy] [Regularity]

Option b): how to reduce the risk, for projects submitted by OG partners, not to be selected ? Is a higher score an option ? How far a higher score can be justified for EIP projects Vs non EIP projects but with similar objectives ? [Effectiveness]

G) SIMPLIFIED COSTS OPTIONS 1/2

Assumptions: categories of costs eligible under art 35 are the followings:

- Coordination/organization costs: studies, plans, animation, running costs
- Project activities: direct cost linked to the plans

Considerations:

Regularity: ECA and EC encourage Member States to make use of simplified costs options in order to reduce error rate

Efficiency: the use of simplified costs options implies a lower administrative burden for beneficiaries

G) SIMPLIFIED COSTS OPTIONS 2/2

Questions:

Which categories of costs are more suitable for simplified costs options ? What kind of simplified cost options are more appropriate ? [Effectiveness] [Efficiency] [Regularity]

Standard cost are more suitable for standard operations. Due to their nature, innovation projects can be hardly defined as standard projects. So are standard costs appropriate for EIP ?

Coordination/cooperation costs could be easily calculated as a flat rate of direct costs. Is this an option ?

For setting up of OGs, is a lump sum suitable ?

*Thanks for your
attention*