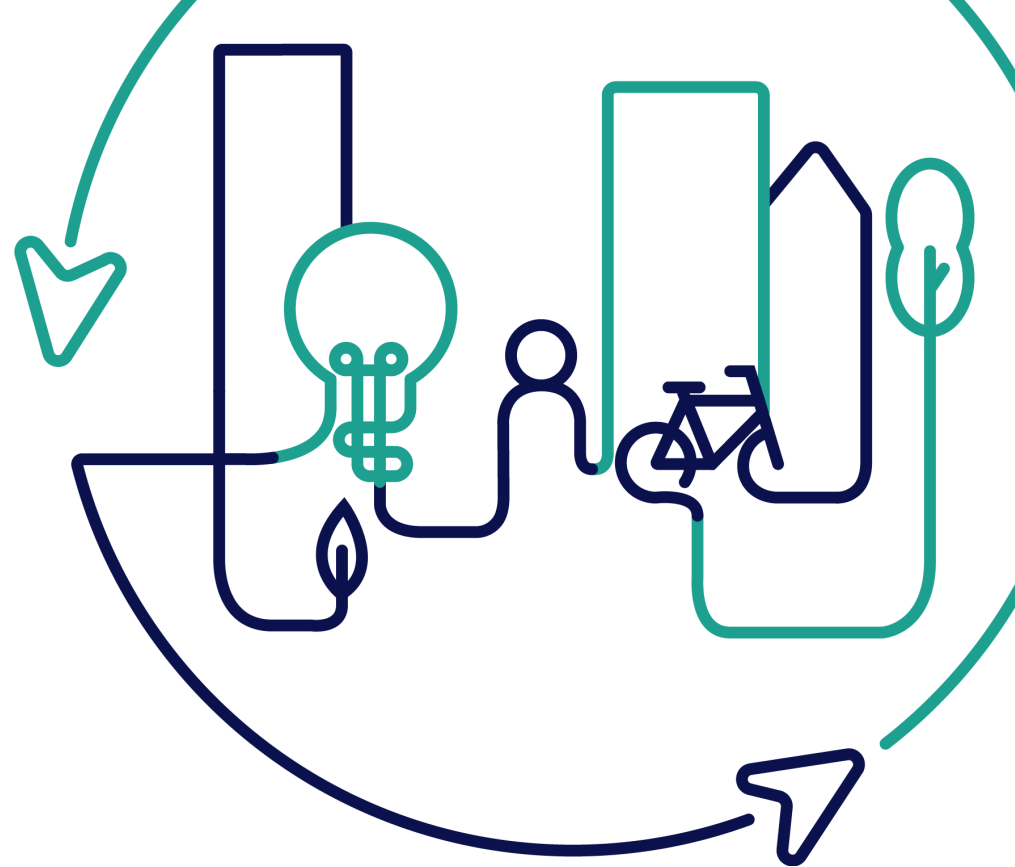


EUROPEAN U R B A N INITIATIVE

WORKSHOP 4

**Designing an effective and efficient
delivery mechanism for CLLD**



Co-funded by
the European Union

Tasks of the LAGs (CPR Art 33.3)

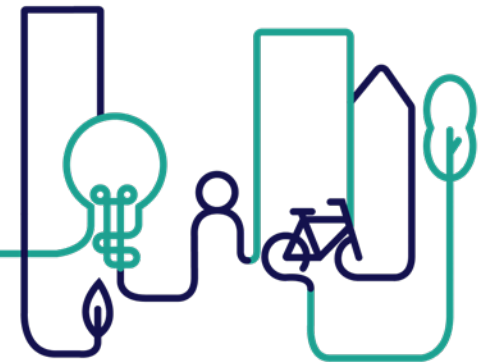
*“The following tasks shall be carried out **exclusively** by the local action groups:*

- a) building the capacity of local actors to develop and implement operations;*
- b) drawing up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions;*
- c) preparing and publishing calls for proposals;*
- d) selecting operations and fixing the amount of support and presenting the proposals to the body responsible for final **verification of eligibility** before approval;*
- e) monitoring progress towards the achievement of objectives of the strategy;*
- f) evaluating the implementation of the strategy.”*



The key delivery steps for MAs

- Eligibility checks on projects selected by LAGs
- Formal approval of project
- Signature of grant contract
- Verification of payment claim: desktop and on-the-spot
- Authorisation of payment
- (Audit is a separate body)



Lessons from Interreg IT-AT

Underlining principles

- . Delegation of decision-making <> accountability required by the use of public funds.
- . Accountability <> high level of administrative burden.
- . A series of tasks are transferred from MAs to LAGs:
 - . Promoting the grants available
 - . Assessment of project proposals
 - . Selection of projects on the basis of their opportunity



Lessons from Interreg IT-AT

Common issues

- Lack of human resources in MAs.
 - Specific capacity building to understand CLLD
 - Enough people to undertake necessary administrative steps
- Gold plating is a big issue:
 - National/regional legislation limits the types of projects/ beneficiaries/ eligibility of costs
- Finding match-funding is often difficult, influence of politicians



Lessons from Interreg IT-AT

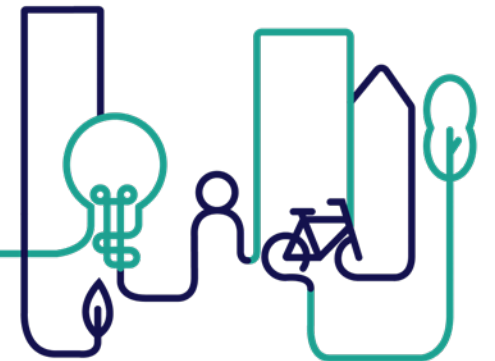
Administrative burden and delays

Administrative burden for LAGs:

- Delays due to:
 - Eligibility checks
 - Formal grant letter from MA
 - Verification of cost claims and possible on-the-spot checks
 - Payments
- Administrative burden:
 - Use of the management system for Cohesion, especially for cost claims

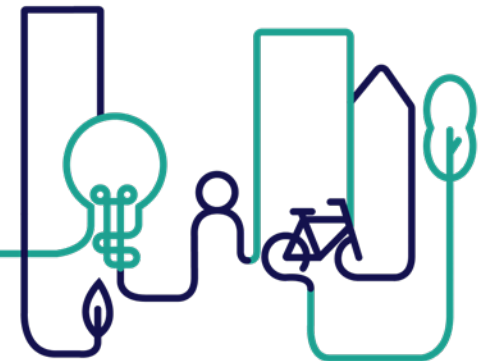
Average delays:

- Implementation of a small project: 2,5 years
- Checks on cost claims: 4 months
- Payments: 2-3 months



Lessons from Interreg IT-AT Eligibility checklist

- Does the composition of the project selection committee correspond to the requirements.
- Is the decision documented in the protocols of the meeting.
- Is the project selection based on the selection criteria of the CLLD strategy.
- Is the project consistent with the CLLD strategy.
- Are the costs indicated in the financial plan eligible.
- Is the classification of the partner's legal status correct.
- Does the project involve appropriate project partners.
- Do the project partners have proven technical, administrative and financial experience and capacity.
- Is the project considered state aid.
 - Are the state aid procedures followed.



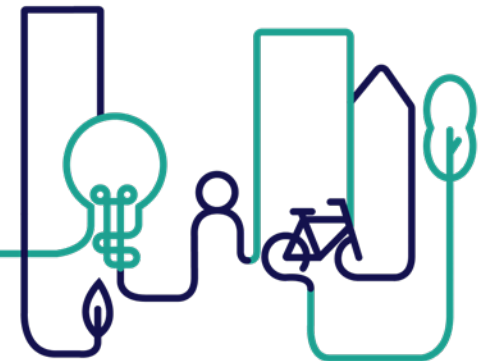
Lessons from Interreg IT-AT

Verification of cost claims checklist

- Is the cost eligible.
- Is the invoice paid.
- Are they using a separate account.
- Is the product or service acquired necessary for the project.
- Have public procurement procedures been followed.
- Do invoices contain all information required.
- Has the project been implemented: Evidence needed such as photos, time sheets, etc.

25% of cost claims are rejected...

Control report submitted to beneficiary for agreement.



Lessons from Interreg IT-AT

Good practices for MAs

- Participate in LAGs selection meetings
 - Early involvement reduces the risk of non-eligible actions.
- Participate in kick-off meetings for projects
- Provide advance payments if possible
 - At least provide mid-term payments
- Simplify financial management by the use of Simplified Cost Options.
 - The use of Draft Budget in the new period is a step in that direction
- Multi-funding: Application of the Lead Fund option to the whole strategy.



Delivery system in Sweden (1)

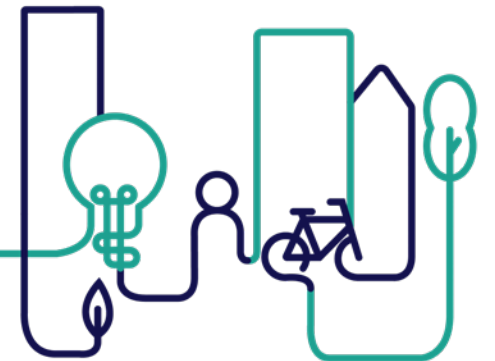
	Who?	How long?	Explanation
Application	Project promoter (PP) presents project	Any time (open call)	PP fills a simpler expression of interest form or goes at once to the full project application
	LAG team helps promoter complete application form	informal, can take several months	involves at least one visit to the project site and detailed discussions between LAG team and PP
Selection	LAG board meets to select project	1-3 months	board meets as needs arises, usually to discuss several projects. Scoring on criteria, decision made by consensus
Approval	LAG team carry out first round of checks	a few weeks	Completeness and partial eligibility check by LAG administrator
	MA/PA checks project eligibility	2-3 months	MA/PA officer controls the LAG checks and minutes of board decision, carries out some additional checks and approves the project (can request additional information from PP if needed). Decision notified to PP (and LAG) via the IT system

Delivery system in Sweden (2)

	Who?	How long?	Explanation
Implementation	PP implement project and collects the necessary proofs	depending on the project	PP encouraged to break their project into several stages, with payment claim submitted after each stage
	PP submits narrative and financial report	depending on the project	LAG usually helps the PP fill the payment claim and checks if it is correct and complete
Payment	MA checks payment claim	ca. 3 months	Many checks from the application stage are repeated, but with more detail
	Some LAGs pay municipality contribution	a few weeks	Proof that the LAG has paid the municipal contribution is required before PA can pay the EU and national part
	PA makes the payment	ca 1 month	PA performs its own checks and makes the payment

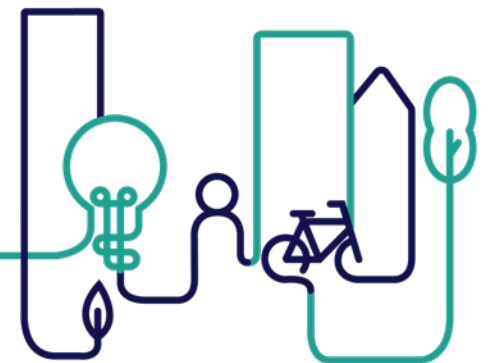
Some interesting points from other MS

- **Finland:**
 - close on-going communication between the IB (12 regional ELY centres) and the LAGs: sharing information about projects in the pipeline, spotting eligibility issues early on, approval can take 1-5 weeks
- **Poland:**
 - advance payments easily accessible to most beneficiaries
 - regional initiative: traineeships of IB staff in the LAGs to build trust and facilitate common understanding



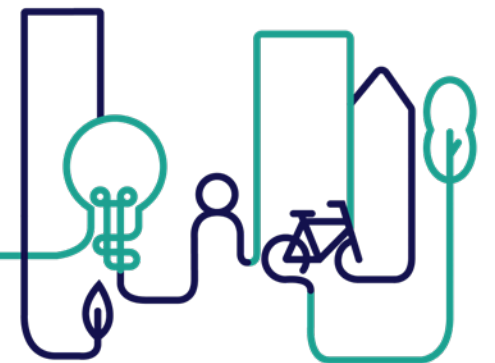
What can go wrong with delivery systems?

- Restrictive legislation going beyond EU rules (gold-plating)
- Specific rules difficult to comply with by less experienced or small-scale actors
- Complex application systems requiring a lot of information (errors, repeated corrections...)
- Excessively long decision-making time due to:
 - duplication of roles (MA/IB repeating LAG tasks)
 - additional steps in the process
 - complicated eligibility conditions – many things to check
- Excessive fear of controls and audits



Some solutions

- Designing the national rules in collaboration with the LAGs
- Simplifying the requirements, especially for small-scale projects (also helps to avoid problems with future audits)
- Use of SCOs
- Umbrella projects (an overall grant to the LAG translated into several smaller and simpler projects by local operators)
- One-stop shop at MA/IB level – building knowledge and relationships with the LAGs
- Regular assessment of the system, e.g. on:
 - time and labour-intensity
 - errors, corrections and multiple submissions
 - beneficiaries abandoning projects or appealing decisions
 - first-time beneficiaries



Thank you

