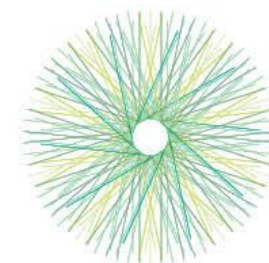


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Simplified Cost Options in the co-operation measure EIP-Agri - The Swedish experience

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Outline

- Summary Simplified Cost Options (SCO) used
- Standard scales of unit costs – Food, annual working time, mileage, allowance, reimbursing own labour, LAG and innovation groups get preparatory support
- Lump sums – Innovation groups
- Flat-rate financing – Indirect costs
- Summary



Unit cost – “Food”

- Art. 67(1)(b), states that grants may take the form of standard scales of unit costs
- Food (lunch and dinner) is reimbursed with 9 €/meal (excl. VAT) according to guidelines from Swedish Tax Agency
- Comment: Works fine in practice, clear conditions



Unit cost: Annual work time

- Art. 67(1)(b), states that grants may take the form of standard scales of unit costs
- Application in SE: Annual work time set as stated by the Commission as 1 720 hours (Art. 68(2))
- Comment: Works fine.



Unit cost – Mileage

- Art. 67(1)(b), states that grants may take the form of standard scales of unit costs
- Application in SE: 3 €/10 km (Art. 67.5a)
Data from Statistics Sweden on most common car used in official calculation tool from the Swedish Consumer Agency which gives mileage
- Comment: Good and clear unit cost



Unit cost – Allowance

- Art. 67(1)(b), states that grants may take the form of standard scales of unit costs
- Application in SE: is reimbursed according to guidelines of the Swedish Tax Agency (domestic 22 €/full day, 11 €/half day, 11€/night, full day after 3 months 15,4 €/day, full day after 2 years, 11€/day) (Art. 67(5)(c))
- Comment: Works fine in practice, clear conditions

Unit cost – reimbursing own labour

- Art. 67(1)(b), states that grants may take the form of standard scales of unit costs
- Application in SE: 22€/hour (Art. 67(a)(i) Average income farmers from Statistics Sweden divided on annual work time.
- Comments: Problematic to use since advisors and others have higher fees. Hence, they cannot be partners in the projects and their services are bought by the project instead. This increases costs and lower the involvement in the project
- Good unit cost that could be higher



Flat rate – Indirect costs

- Art. 67(1)(d) states that grants may take the form of flat-rate financing, determined by the application of a percentage to one or more defined categories of costs
- Application in SE: Mean of the indirect costs from the last 3 years annual accounting reports – actual cost. Indirect costs higher than 15%/25%
- Comments: Time consuming and hard for applicants. In projects with numerous actors the administration cost is high when each has to provide 3 annual reports. Prolongs the time for processing applications

Lump sum – Form innovation group

- Art. 67 (1) (c) states that grants may take the form of lump sums not exceeding EUR 100 000 of public contribution
- Application in SE: Innovation groups receive a lump sum of 5 000€ (2-4 actors in the group) or 8 000€ (5 or more actors in the group) for forming a group in order to write a project plan for developing the innovative idea. Comments: Works well, convenient for the beneficiary not having to report receipts, hours spent etc. The lump sum gives less administration for the beneficiary as well as the MA



Methodology – lump sum form innovation group

- Average cost advisor (95€/h), researcher (66,5€/h) and farmers (22 €/h) according to fees and unit cost own labour
- Gives cost per hour spent by group in meetings etc. (equal amount advisors, researchers and farmers)
- Average hourly cost working hours (advisor work more double amount others)



Methodology – lump sum form innovation group

- **Group 2-4 participants:**
 - Average 3 participants
 - 2 meetings: 3 476 €
 - 25 hours of working: 1 741 €
 - Total: 5 217 €
- **Group 5-8 participants:**
 - Average 6 participants
 - 2 meetings: 6 952 €
 - 25 hours of working: 1 741 €
 - Total: 8 693 €



Lump sum – Plan that is rejected

- Art. 67 (1) (c) states that grants may take the form of lump sums not exceeding EUR 100 000 of public contribution
- Application in SE: Innovation groups that discover that there already are a solution to the challenge for which they had an idea for an innovation and describes this solution, get 1 500€ in compensation (see previous slide hours working for calculation)
- Comments: Works well, not handled that many applications yet.



Summary

- SCO has the potential to ease administration for the applicant, MA and PA
- SCO needs to be at a realistic level otherwise other solutions will be used and simplification not attained



Thank you for your attention!

If you have any questions, please
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