

Simplified Cost Options Workshop – Summary of Working Groups

Participants split into three groups to discuss Simplified Cost Options (SCOs), two groups looked at implementation in LEADER and the third considered their implementation more generally in Rural Development Programmes (RDPs). Each participant was asked to consider what is/was the biggest barrier that prevented/prevents them from introducing SCOs in this programming period. The following points were highlighted.

LEADER:

- Diversity of projects makes standardised approaches difficult to apply
- `Mental barriers` - still too much focus on invoices and controls, the need to shift the way of thinking
- Difficulties, amount of work needed to develop a good calculation methodology
- Controlling, preventing `double-funding`
- Uncertainties relating to the application of SCOs
- Lack of experience and not enough LEADER specific guidance
- Managing Authority `nervousness`
- Understanding of the process, requirements
- Lack of resources, lack of shared goals
- Too much focus on controls, not enough focus on beneficiaries

RDPs:

- Complicated methodology, fear of change and risks involved
- Valid data sets
- Issues related to application of public procurement rules
- Challenges relating to the development of a reliable statistical model, calculation method for SCOs
- The message that `some will win while some will lose` by the introduction of SCOs is very difficult to communicate
- Uncertainties on how SCOs will be audited

Short presentations were given by participants with practical experience of implementing SCOs focusing on what motivated the introduction of SCOs, the biggest challenges/barriers faced, and the key lessons learnt. The `road maps` below of suggested steps for introduction of SCOs were developed following discussion and agreement in each of the 3 groups.

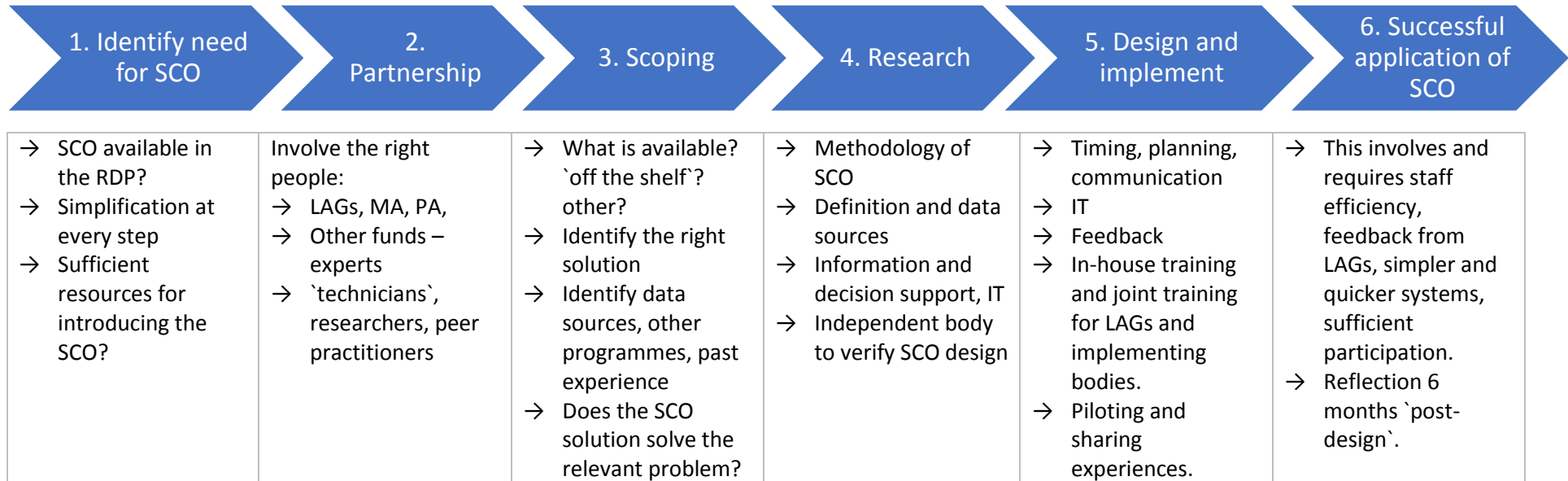
LEADER Roadmap



<i>Continuous dialogue with all stakeholders for common understanding of objectives and process</i>					
<ul style="list-style-type: none"> → Less stress to all stakeholders → Balance of input/output – more real development → Better local development → Reducing risks of financial correction → Good use of human resources → Analyse delays in approval or payment and relevant time and costs involved 	<ul style="list-style-type: none"> → Analysis of costs (what is gained by introducing an SCO?) → Identify similar types of projects – analyse possible options and their implications → Mapping of issues with stakeholders and LAGs → Identify existing good practices → Make provisions for excluding double-funding → Choose method of SCO calculation 	<ul style="list-style-type: none"> → Good practices from other funds and Member States → Choose method of SCO calculation → Data collection and validation → Establish conditions (e.g. milestones, relevant documents) → Look at data availability and bench-marking → Studies and expert input 	<ul style="list-style-type: none"> → Build legal framework → Validate, adapt, write new legislation as required → RDP modification (as required) → Simulations/testing: Check the SCO by testing on `old` files or test with national funds 	<ul style="list-style-type: none"> → Guidelines to stakeholders → Meetings, training, information events (for PA staff, audit, certifying body, LAGs, beneficiaries) → Develop IT system and tools (e.g. application forms) → Develop system for ongoing review of method and uptake 	<ul style="list-style-type: none"> → Use system for ongoing review of method and uptake → Check results versus expectations → Feedback and improvement

Note: do not forget about the “off the shelf” SCOs!

LEADER Roadmap



Rural Development Programme Roadmap

