

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

1. l	den	tify
need	for	SCC

2. Scoping / getting the right focus

3. Consultations, testing, methodology

4. Finalisation and approval of SCO

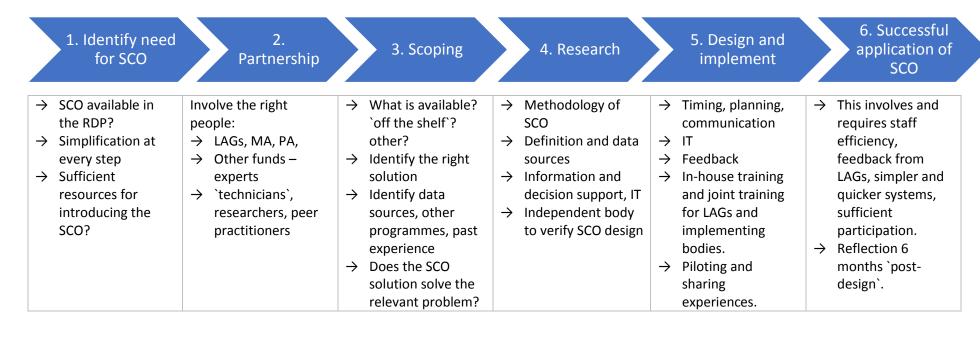
5. Introducing the SCO 6. Successful application of SCO

Continuous dialogue with all stakeholders for common understanding of objectives and process → Use system for → Less stress to all → Analysis of costs → Good practices from → Build legal → Guidelines to stakeholders (what is gained by other funds and framework stakeholders ongoing review of → Balance of introducing an Member States → Validate, adapt. → Meetings, training, method and input/output -SCO?) → Choose method of information events uptake write new more real → Identify similar SCO calculation legislation as (for PA staff, audit, → Check results development types of projects required certifying body, → Data collection and versus analyse possible → RDP modification → Better local validation LAGs, expectations development options and their → Establish conditions (as required) beneficiaries) → Feedback and → Reducing risks of (e.g. milestones, → Simulations/testing: → Develop IT system implications improvement financial correction → Mapping of issues relevant documents) Check the SCO by and tools (e.g. testing on 'old' files → Good use of application forms) with stakeholders → Look at data and LAGs availability and → Develop system for human resources or test with → Analyse delays in → Identify existing bench-marking national funds ongoing review of → Studies and expert approval or good practices method and payment and → Make provisions input uptake for excluding relevant time and double-funding costs involved → Choose method of SCO calculation

Note: do not forget about the "off the shelf" SCOs!



LEADER Roadmap





Rural Development Programme Roadmap

1. Identify need for SCO	2. Define cost appropriate scot scot scot appropriate scot scot scot scot scot scot scot scot	riate method of and piloting application of
 → Check possibility exists in RDP → Political support needed → Why do this? Reduce administrative burden or achieve results → Systematic review of RDP – measures to focus on → Start planning IT systems → Consult with 	→ Adjust over time, but do not go back to real costs	→ Reliable data and method → Consistency of data → Record the origin of the data This should integrate: → Feedback from stakeholders → Relevant processes should also be adapted for successful introduction of SCO (e.g. application process, payment process, audit, IT systems that's fit for purpose) → Communication
European Commission		and training on new SCO