

# Simplified cost options in LEADER 2014 - 2020



Entwicklungsprogramm  
für den ländlichen Raum  
im Freistaat Sachsen  
2014 - 2020

# New Simplified cost options in 2019 – Saxony/Germany

## Situation up to 2018 in Saxony:

- | Never change a running system

but:

- | High effort in administrative control of reasonableness of costs
- | High effort for administrative controls on payments (in extreme cases up to 900 individual paying documents per project)

# New Simplified cost options in 2019 – Saxony/Germany

## Targets:

- | **Simplification in administrative controls**, funding application and payment
- | Optimization implementation target 6b EAFRD - here: poverty reduction; personal contribution in Saxony previously ineligible, as high risk of error
- | **simplification for the beneficiary**
- | But preserve LEADER – method: LAG defines high of funding

# New Simplified cost options in 2019 – Saxony/Germany

STAATSMINISTERIUM  
FÜR UMWELT UND  
LANDWIRTSCHAFT



## New framework conditions for the use of simplified cost options 2018

- | omnibus - regulation of the EU with new instruments
- | statistically relevant case numbers to develop standardized unit costs

# New Simplified cost options in 2019 – Saxony/Germany

## Derivation of standard unit costs

- | application of three procedures of the EU regulation for improving the security of the acceptance tests (only one is necessary):
  - | statistical data from the past practice of individual project
  - | evaluation of statistical data, here: standard construction costs books
  - | expert assessment

# New Simplified cost options in 2019 – Saxony/Germany

## Derivation of standard unit costs

- | Starting point in 2018: 1700 projects with audited costs plausibility in LEADER in Saxony
- | Challenge: 30 LAG have 1000 different measures in their action plans
- | task:
  - | which measures have achieved sufficient critical mass?
  - | Where it is: derivation of standardized unit costs

# New Simplified cost options in 2019 – Saxony/Germany

## Derivation of standard unit costs

- | Categorization of LEADER projects
- | Which project categories have most projects?
- | Result:
  - | Premises for public services
  - | Premises for enterprices
  - | Premises for living



# Derivation of standard unit costs



1.272 Euro / m<sup>2</sup>

(2019)

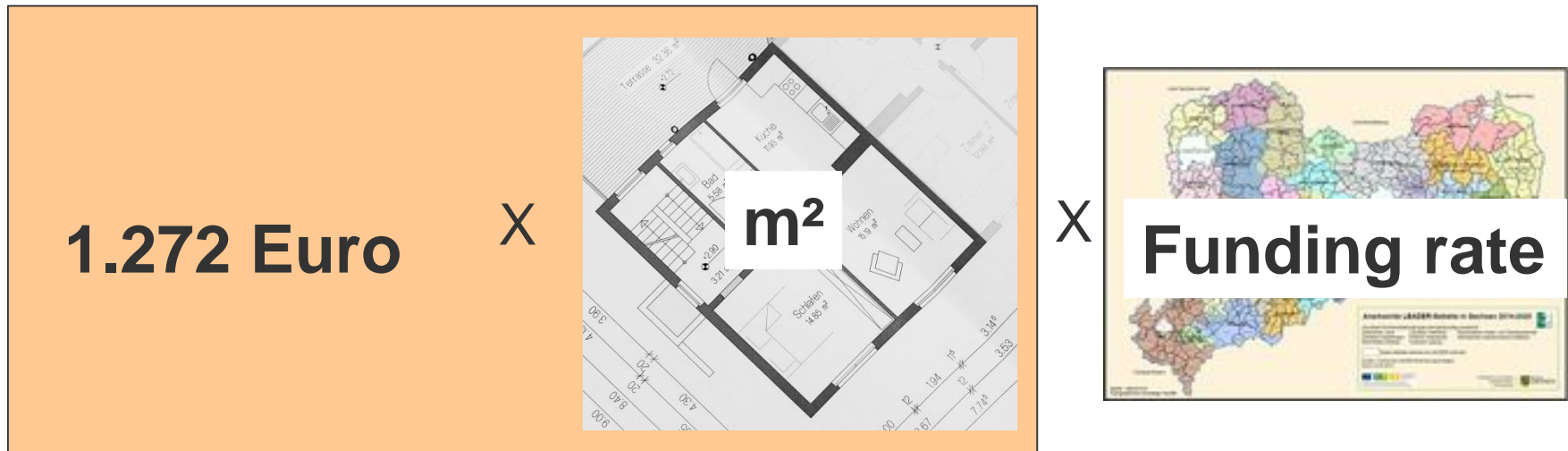




# New Simplified cost options in 2019 – Saxony/Germany

## Derivation of standard unit costs

LAG defines high of funding



**= High of funding**

# New Simplified cost options in 2019 – Saxony/Germany

## standard unit costs for:

- | buildings, which are a conversion or complete renovation with extensive intervention in the building and as a result created a heated solid construction
- | irrespective of the specific use (such as for housing, accommodation, social services)

## Annual update

### Disadvantages:

- Funding of a median
- Concrete circumstances may differ compared to reimbursement on an invoice basis

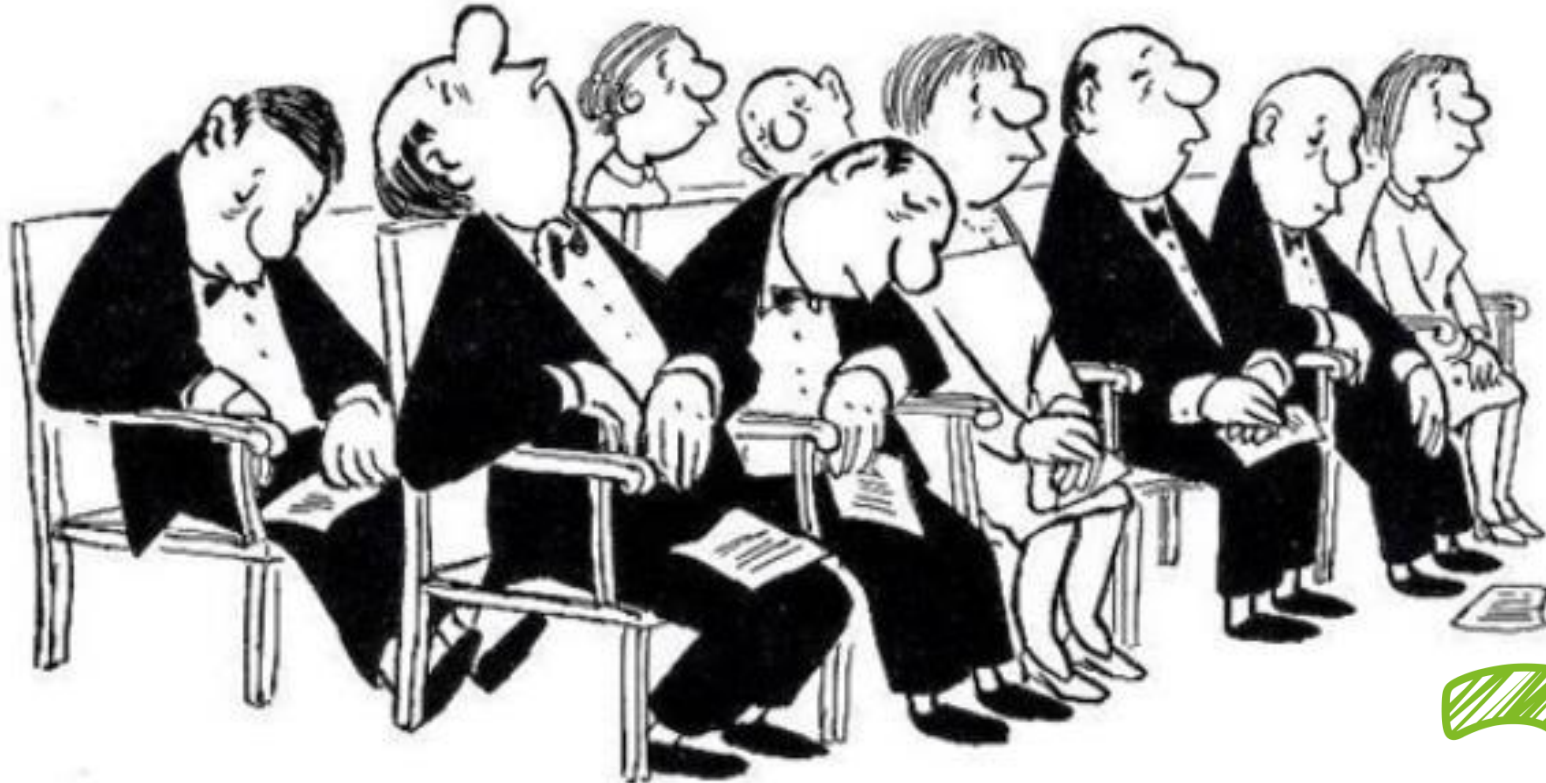
# flat rate financing of non-investment projects

- | Flat rate for indirect costs (15 %)
  - | indirect costs are expenses for room hire including costs, telephone charges, Internet fees, Office supplies, reproduction, paper and printer costs, Porto, hospitality expenses, insurance, travel expenses.
  
- | Flat rate for other costs (40 %)
  - | for all costs other than personnel costs
  - | for all incurred in connection with the project expenditures
  - | such as public relations and presentation materials, leasing of vehicles, legal advice and expert reports, marketing activities
  - | indirect costs are included in the flat rate

# flat rate financing of non-investment projects

- | Also for running costs of the LAG
  
- | No choice for the LAG
  - | Application of the flat for indirect costs (15%) for projects where
    - | no other project components are included or
    - | the application of the flat of 40% is excluded
  - | respect the limit 25% for running costs

- | Art. 67 Abs. 4 Reg. (EU) 1303/2013 > **No application possible, if public procurement is required**
- | Keep the opportunities of Omnibus in the next funding period
- | Art. 67 Abs. 1 e Reg. (EU) 1303/2013 > open it for more action fields



# Questions

