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2.8 Simplified costs options trans-regional operational groups

Rationale

The implementation of multi-actor approaches (MAA) to cooperation for innovation is a challenge for many stakeholders, as they require certain commitment and the distraction from typical on-field farming activities which is due to their participation in interactions with the partners within the EIP-Agri Operational Groups (e.g. participation in project meetings, European CAP Network).

This is a deterrent to workers' active participation in multi-actor project activities, so it is important to properly recognize the contribution of partners by establishing appropriate remuneration.

Solution

The Directorate-General for Rural Development, Innovation and Agri-Food Training, through the Subdirectorate-General for Innovation and Digitalisation; promoted a SCO study in order to address, on the one hand, the repeated recommendations of the European Court of Auditors (ECA), on the promotion and extension of the use of SCO, and on the other, to respond to the difficulties encountered during the management of EIP-AGRI aid, of the current cooperation measure in the 2014-2020 programming period.



Keywords

Administrative simplification, Simplified Cost Options, interactive innovation, Operational Groups



Potential users

Managing authorities of the CAP strategic Plans, Paying agencies, auditors and certifying bodies, Partners of OGs, Advisors, Innovations brokers



Country

Spain. Ministry of Agriculture, Fisheries and Food



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Aid for the establishment of operational groups of the EIP AGRI and the implementation of innovative projects by these groups have been programmed in 15 of the 17 regional Rural Development Programmes as well as in the NRDP, with a great reception by the agricultural sector, forestry and livestock.

Despite the differences in the implementation of these aids in the different programs, the managers agree on the complexity of their management (and justification by the beneficiaries); by the typology of the beneficiary (groups of beneficiaries of different legal nature), diversity of innovation projects, the multiannual nature of innovative projects, the wide variety of eligible costs, among others.

Given the example of use of Simplified Cost Options in other Member States and other regions of Spain, it was decided to seek their use; [this specifically concerns the determination and use of a standard hourly cost for staff employed in GOs.](#)

The Ministry of Agriculture decided to carry out a study to reduce the administrative burden of the procedure and to speed up the concession deadlines.

The data used in the SCO study, which will make it possible to identify SCO for the current programming, come from sub-grant payment files under coordination sub-measures 16.1 and 16.2. These are aid for the creation of supra-regional operational groups in relation to the EIP-Agri granted under the National Rural Development Programme (NRDP) 2014-2020 and aid for the implementation of innovation projects of general interest by operational groups of the EIP-Agri granted under the NRDP 2014-2020, respectively. The data, provided by the paying agency (FEGA), responsible for the management and control of expenditure, at the request of the instructor body of aid (General Subdirectorate of Innovation and Digitalisation) have been from different calls for grants. The SCO study chosen, has been carried out by TRAGSATEC (MAPA's entity), following the work scheme drawn up by the Subdirectorate. Thus, to prepare the proposal for the implementation of SCO, in the next programming period of the CAP 2023-2027, in the aid for the cooperation of OGs of the EIP-AGRI, it has been necessary to identify different SCO alternatives, determined from the study of costs of aid files for the creation and operation of OG at supra-regional level, and for the execution of innovative projects of general interest to be executed by supra-regional OGs (submeasures 16.1 and 16.2 of the NRDP), observing in all phases of the study the applicable regulations, and selecting the proposal for the implementation of SCO, which guarantees compliance with the principle of sound financial management and in particular the principles of economy, efficiency and prohibition of double financing.

This SCO study with comparable data would be the key element to implement SCO in the intervention 7161.

In practice...

The data used in the study comes from payment files of submeasure 16.1, of aid for the creation of supra-autonomous operational groups in relation to the execution of innovation projects of general interest by operational groups of the European Association for Innovation in this field. of agricultural productivity and sustainability, granted within the framework of the NRDP 2014-2020 (2016 and 2018 calls).

These are the requested records of individual expenses, for each beneficiary member, reviewed in administrative control with determination of the admissible and non-admissible amount of each individual expense, without application of the discounts that may apply due to limits subsequent to the of the expenditure itself (that is, by concept of total expenditure, performance or aspects of the file itself).

In the activity of collecting data on requested/paid costs, provided by the managing body of these grants, a total of 15,857 records have been received, corresponding to the 2016 and 2018 calls. This information is collected in the files "Data Expenses 16.1 Call 2016.xlsx" and "Data Expenses 16.1 Call 2018.xlsx" respectively.

It is considered that the available data are valid for the study to be carried out, given the origin (General Subdirectorate of Innovation and Digitalization/FEAGA), the controls to which they have been subjected and their belonging to operations equal to those in which they are intended to be used.

In the data evaluation and purification process carried out so that the universe of data on which the study is based offers the best quality guarantees, all data considered unsuitable are excluded (the details of the evaluation and data purification is included in section 4 of the Study of simplified cost options). In the final universe of data there is a total of 15,049 expense records with which to execute the analyses. These already purified expenses are available in the files corresponding to the corrected version: "Expense Data 16.1 Call 2016_VC.xlsx" and "Expense Data 16.2 Call 2018_VC.xlsx".

The proposed SCO consists of applying flat-rate financing. The amount to be applied if the aid expense is requested would be:

Project preparation expenses = 12,600 EUR

Expenditure concepts included:

1. Innovation broker subcontracting.
2. Services for the preparation of studies and diagnoses linked to the group's theme, business plans or equivalent, design and drafting of the project, or carrying out evaluations or analyzes aimed at defining and assessing the expected results and impacts.
3. Subcontracting for preparation and writing of the innovation project (which will include expenses related to the initial activities of the OG).

A. Definition of the calculation method.

The simplified cost option selected consists, as stated in the previous section, of applying a single lump sum amount for project preparation (considering the expenses included in the expense categories).

The calculation, both in aid and payment, will consist of applying the established fixed amount whenever this expense is charged.

Contracting expenses for project preparation (after rounding the value obtained) = 12,600.00 EUR.

This implies that this amount will be applied to both aid and payment, without other conditions or limitations being established.

B. Conditions of Application. Calculation and control in aid and payment.

This expense does not have clear conditions of application, in payment, because it is subject to the delivery of the report of the innovation project to be subsidized.

Its application does not involve any calculation or selection. The amount of the eligible lump sum will be taken, both in aid and payment.

Example of application: justification of the execution of an innovation project in which project preparation costs have been requested.

Calculation: fill in the fixed lump sum amount of EUR 12,600.00 in the section for this expense.

Supporting documentation:

Request for help: it is essential to present the complete drafted innovation project, with its narrative report and its associated budget and its justification, as well as all additional documentation established in the call. The project must be selected for execution in the investigation process, so that the lump sum amount is eligible for subsidy.

Payment request: it is essential that the project executed is in accordance with that approved in the Concession Resolution or its modification. In any case, an attached supporting document will be requested that explains the minor changes that have occurred in the execution of the project that do not conform to the selected project.

Practical implications for replicability

Starting premises of the selected proposal:

- The justification alternative is applicable to the entire file. A flat-rate amount would be calculated for the total project preparation expenses (considering the expenses contemplated in the expense categories).
- The logical thing is that the allocation of this expense occurs in the first year, either by a single member who is responsible for this expense or distributed among several (aspect to be defined in the regulatory bases of the aid).

Benefits

- Reduction of the administrative burden.
- Simpler supporting documentation.
- Simplify cost moderation.
- Calculation and control that does not require technical profiles with training in labor issues.
- Efficiency improvement.
- Budget established according to a known expense that makes it easier to establish more realistic aid budgets.
- Fewer involuntary errors due to poor application of expense justification aspects.

Further information

- [Regulatory bases 7161 intervention for supra-regional operational groups \(2023-2027\) \(SP\)](#)
- [Call of 2023 for 7161 intervention for supra-regional operational groups \(2023\) \(SP\)](#)
- [MAPA associated electronic headquarters for 7161 intervention for supra-regional operational groups \(SP\). Spain.](#)
- [Regulation \(EU\) No 1303/2013 of 17 december 2013](#)
- [Regulation \(EU\) No 1305/2013 of 17 december 2013](#)
- [Regulation \(EU\) No 1306/2013 of 17 december 2013](#)
- [Commission Delegated Regulation \(EU\) No 640/2014 of 11 March 2014](#)
- [Commission Delegated Regulation \(EU\) 2017/891 of 13 March 2017](#)
- [Regulation \(EU, Euratom\) 2018/1046 of 18 July 2018](#)
- [Regulation \(EU\) 2021/1060 of 24 June 2021](#)
- [Regulation \(EU\) 2021/2115 of 2 December 2021](#)
- [Commission notice guidelines on the use of simplified cost options within the european structural and investment funds \(esi\) – revised version \(2021/c 200/01\). \(En\) European Union](#)

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