

LEADER LDS, CROATIA - PAYING AGENCY (PA)

*BASIC PRINCIPLES OF IMPLEMENTATION MODEL LDS LAG
(who does what?)*

STATE OF PLAY IN PRESENT LDS IMPLEMENTATION IN CROATIA

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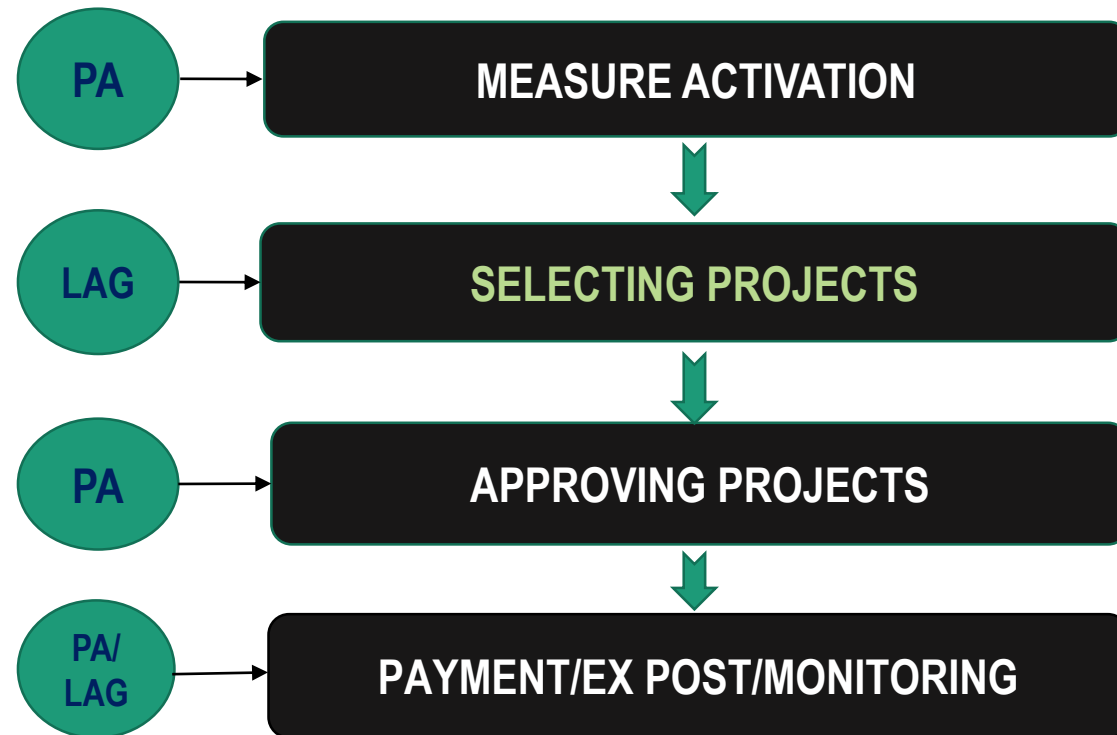
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IMPLEMENTATION MODEL LDS LAG

- Implementation model consists of 4 major phases:



Legislation (EU):

Regulation (EU) No 1303/2013 – Article 32. – 35.

Regulation (EU) No 1305/2013 – Article 42. – 45.

Regulation (EU) No 809/2014 – Article 48., 60.

Legislation (CRO):

OP EAFRD 2014. – 2020.

Ordinance M19

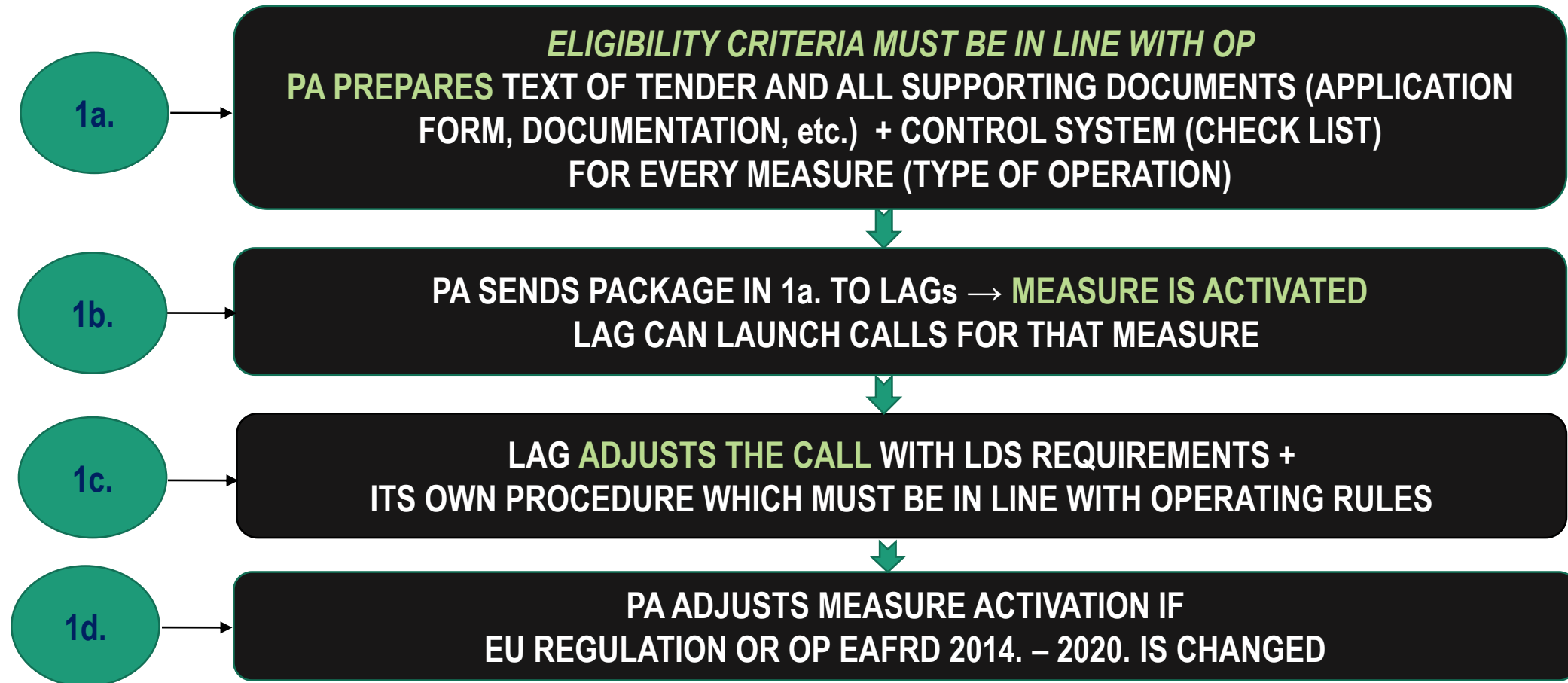
LEADER Operating rules 2014. – 2020.

Grant agreement PA ↔ LAG

Cooperation agreement PA ↔ LAG

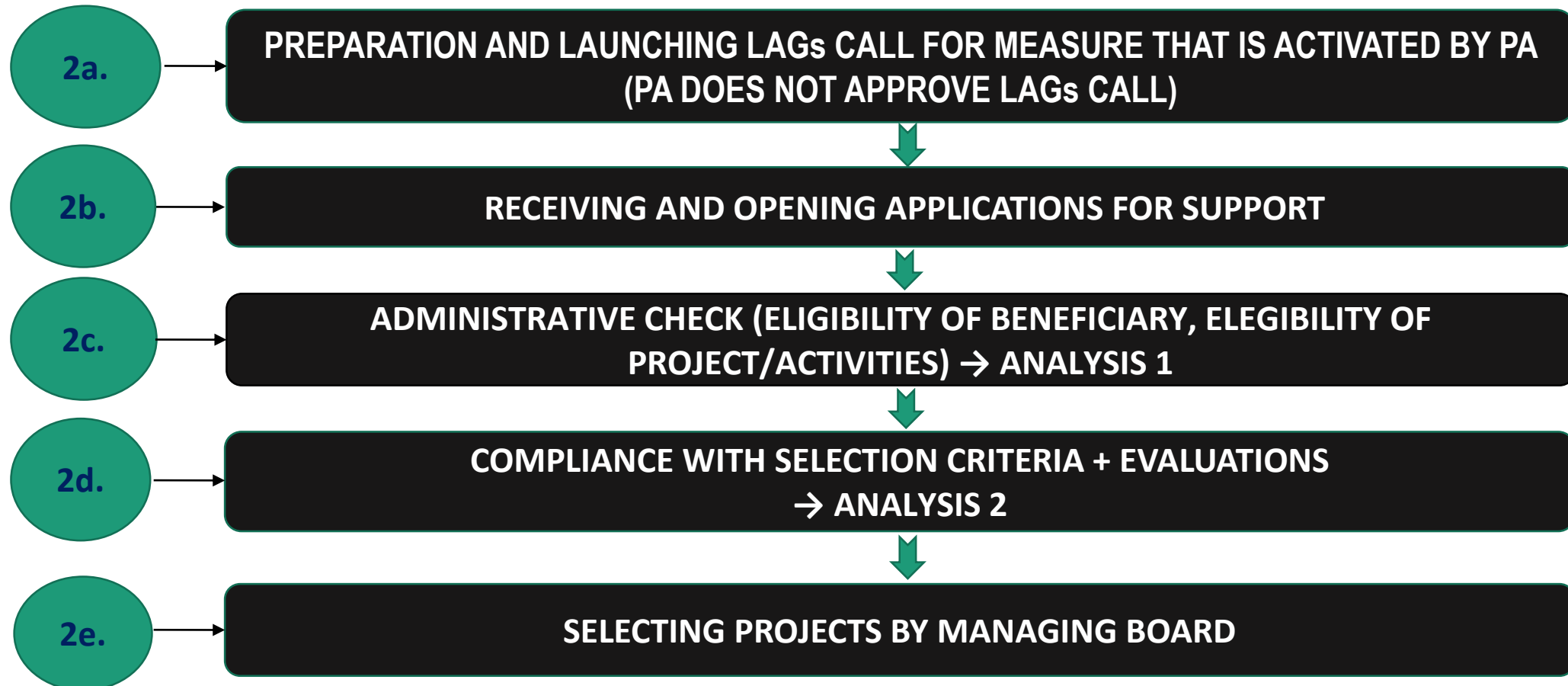
MEASURE ACTIVATION - PA

- MEASURE ACTIVATION (PA) consists of 4 major activities:



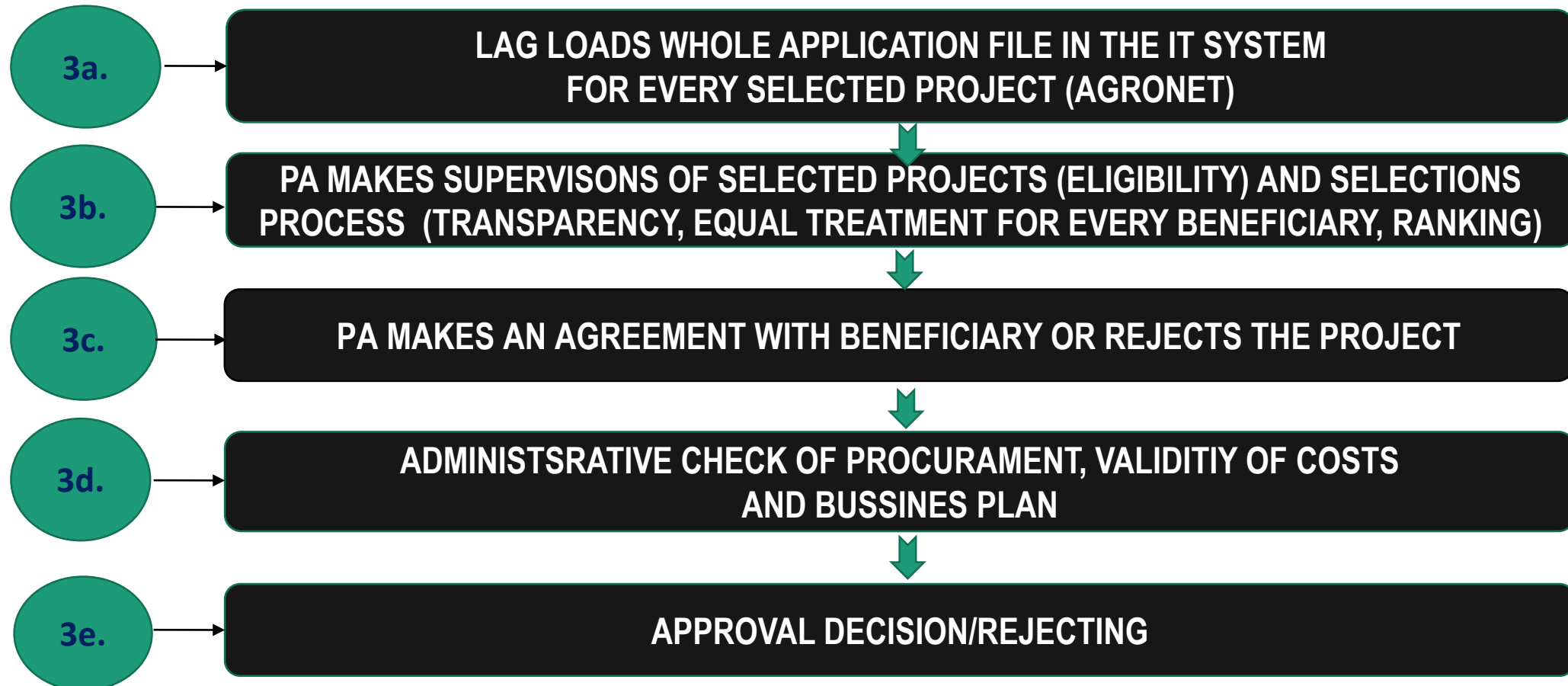
SELECTING PROJECTS - LAG

- SELECTING PROJECTS (LAG) consists of 5 major activities:



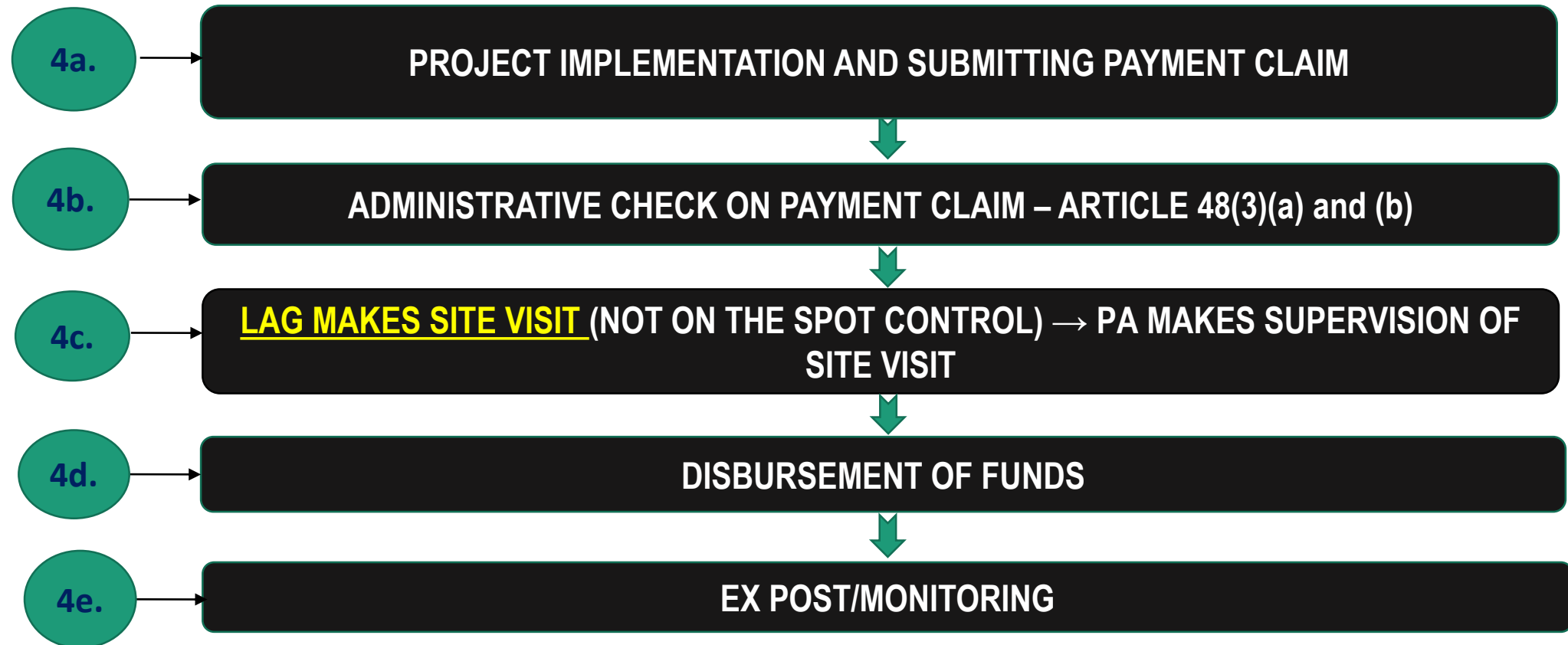
APPROVING PROJECTS - PA

- APPROVING PROJECTS (PA) consists of 5 major activities:



PAYMENT/MONITORING/EX POST – PA/LAG

- PAYMENT/MONITORING/EX POST(PA/LAG) consists of 5 major activities:



PROBLEMS IN IMPLEMENTATION MODEL

- Administrative burden in PA → PA controls all selected project by LAG (PA controls LAG) + other eligibility checks (eligibility of costs, reasonableness of costs, business plan, public procurement)
- Request for support and administrative control at LAG level is on paper → PA will work on implementation of LAG's in IT system (AGRONET) in the next period

PROBLEMS IN IMPLEMENTATION MODEL

- Eligibility of projects in rural infrastructure (M7.4.1.) is a difficult task for LAGs, despite the fact that PA passes on to LAG complete control system to perform such checks appropriately:
 - Projects don't have all necessary documents
 - Problems with permits and licenses
 - Complicated property legal relations
 - Difficulty to distinguish **maintenance** (not eligible) from **reconstruction** (eligible)
 - Buildings often have mixed use in small municipalities (e.g. one part of a building is for municipality administration, and the other is a social home; or on the first floor is a cafe bar, and on the second floor is a social home)

POSITIVE ASPECTS

- LDS implementation started in February/2018 (1 year/9 months)
 - LAGs launched calls in value of 75% of LDS
 - LAGs select projects in value of 40% of LDS
- LAGs selected cca 1000 projects → they are recognized as a representative stakeholder in their municipalities
- LAGs make administrative checks in line how PA is making in the same type operation because eligibility criteria must be in line with OP
- LAGs receive complete administrative control system by PA → assurance that the administrative control is made in line with EU regulation 809/214 (article 48.) → financial interests of the EU and RH at high level
- „Know how” in LAGs → some LAGs are skillfully trained in implementing LDS → it's important that educated persons stay in LAGs

MEASURE – ACTIVATED BY PA

- The following types of operation (measures) have been activated by the PA through the LDS LAG (85% of LDS):
 - 6.1.1. LDS LAG → Business start up aid for young farmers
 - 6.3.1. LDS LAG → Business start up aid for the development of small farms
 - 7.4.1. LDS LAG → Support for investments in the setting-up, improvement or expansion of local basic services for the rural population including leisure and culture, and the related infrastructure
 - 4.1.1. LDS LAG → Restructuring, modernisation and increasing the competitiveness of agricultural holdings
 - 4.2.1. LDS LAG → Increasing the added value of agricultural products

TO 6.3.1. – SMALL FARMERS (IMPLEMENTATION DATA)

- 72 call for application for small farmers published by LAGs
- Total amount for small farmers in LDS LAGs → 15,5 million EUR → 33% LDS LAGs
- Total amount of funding in LAGs call for application published so far for small farmers → 14,5 million EUR → 94% LDS LAGs 6.3.1.
- Total amount LAGs selected projects for small farmers → 10,8 millions EUR → 70% LDS LAGs 6.3.1
- Total amount of approved project by PA for small farmers → 10,2 millions EUR → 66% LDS LAGs 6.3.1
- Total amount of paid project by PA for small farmers → 5,1 millions EUR → 34% LDS LAGs 6.3.1

TO 7.4.1. – RURAL BASIC INFRASTRUCTURE (IMPLEMENTATION DATA)

- 56 call for application for rural infrastructure published by LAGs
- Total amount for rural infrastructure in LDS LAGs → 17 million EUR → 36% LDS LAGs
- Total amount of funding in LAGs call for application published so far for rural infrastructure → 15 million EUR → 89% LDS LAGs 7.4.1.
- Total amount LAGs selected projects for rural infrastructure → 7,2 millions EUR → 42% LDS LAGs 7.4.1
- Total amount of approved projects by PA for rural infrastructure → 0,9 millions EUR → 6% LDS LAGs 7.4.1
- 31 projects approved / 15 projects rejected

4.1.1. – COMPETITIVENESS OF AGRICULTURAL HOLDINGS (IMPLEMENTATION DATA)

- 26 calls for application for competitiveness of AH published by LAGs
- Total amount for competitiveness of AH in LDS LAGs → 6,5 million EUR → 14% LDS LAGs
- Total amount of funding in LAGs call for application published so far for competitiveness of AH → 4,8 million EUR → 74% LDS LAGs 4.1.1.
- Total amount LAGs selected projects for competitiveness of AH → 0,4 millions EUR → 9% LDS LAGs 4.1.1
- Lack of funds → significantly more requests for support at LAG level, requested support is much more higher then tender allocation
- In some LAGs about 50 applications for support, 5-10 can be financed

TO 4.2.1. – INCREASING THE ADDED VALUE (IMPLEMENTATION DATA)

- 7 calls for application for rural infrastructure published by LAGs
- Total amount for increasing the added value in LDS LAGs → 1,4 million EUR → 4% LDS LAGs
- Total amount of funding in LAGs call for application published so far for increasing the added value → 0,9 million EUR → 65% LDS LAGs 4.2.1.
- Total amount LAGs selected projects for increasing the added value → 0,2 million EUR → 14% LDS LAGs 4.2.1.

IMPLEMENTATION DATA - OVERVIEW

- 161 calls for application published by LAGs
- Total amount of funding in LAGs call for application published so far → 35,3 millions EUR → 75% LDS LAGs
- Total amount of LAGs selected projects → 18,5 millions EUR → 39% LDS LAGs → 1000 projects
- Total amount of approved project by PA → 11 millions EUR → 24% LDS LAGs → 721 projects
- Total amount of paid project by PA → 5,1 millions EUR → 11% LDS LAGs
- 17 projects refused by PA

6.3.1

IMPLEMENTATION DATA - OVERVIEW

Table 1. State of play in present LDS implementation

Sub measure	Type of operation in line with OP	Amount, LDS (EUR)	Amount, LDS (%)	Launched calls	Allocation of fund in launched calls (EUR)	Allocation of fund in launched calls/LDS (%)	Selected project by LAG (EUR)	Selected project by LAG/LDS (%)	Contracted projects by PA (EUR)	Contracted projects by PA/LDS (%)	Contracted projects	Rejected projects	Paid amount (EUR)	Paid amount/LDS (%)
19.2.	4.1.1.	6.538.111,00	14%	26	4.838.113,00	74%	414.553,00	9%						
	4.1.2.	54.158,00	0%		0,00									
	4.2.1.	1.379.018,00	3%	7	901.183,00	65%	129.688,00	14%						
	4.4.1.	434.320,00	1%		0,00									
	6.1.1.	1.600.000,00	3%		0,00	0%								
	6.2.1.	1.202.211,00	3%		0,00									
	6.3.1.	15.509.815,00	33%	72	14.572.017,00	94%	10.839.652,00	70%	10.289.971,00	66%	690	2	5.198.059,00	34%
	6.4.1.	2.715.923,00	6%		0,00									
	7.4.1.	16.917.786,00	36%	56	15.035.123,00	89%	7.189.962,00	42%	896.566,00	6%	31	15		
	8.5.2.	678.957,00	1%		0,00									
	8.6.1.	30.000,00	0%		0,00									
	8.6.2.	20.000,00	0%		0,00									
	16.4.1.	60.006,00	0%		0,00									
	TOTAL:	47.140.305,00	100%	161	35.346.436,00	75%	18.573.855,00	39%	11.186.537,00	24%	721	17	5.198.059,00	11%