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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**IMPLEMENTATION MODEL LDS LAG**

- Implementation model consists of 4 major phases:
  1. MEASURE ACTIVATION
  2. SELECTING PROJECTS
  3. APPROVING PROJECTS
  4. PAYMENT/EX POST/MONITORING

**Legislation (EU):**
- Regulation (EU) No 1305/2013 – Article 42. – 45.

**Legislation (CRO):**
- Ordinance M19
- Grant agreement PA ↔ LAG
- Cooperation agreement PA ↔ LAG
MEASURE ACTIVATION (PA) consists of 4 major activities:

1a. **ELIGIBILITY CRITERIA MUST BE IN LINE WITH OP**
   - PA prepares text of tender and all supporting documents (application form, documentation, etc.) + control system (check list) for every measure (type of operation).

1b. **PA SENDS PACKAGE IN 1a. TO LAGs → MEASURE IS ACTIVATED**
   - LAG can launch calls for that measure.

1c. **LAG ADJUSTS THE CALL WITH LDS REQUIREMENTS + ITS OWN PROCEDURE WHICH MUST BE IN LINE WITH OPERATING RULES**

1d. **PA ADJUSTS MEASURE ACTIVATION IF EU REGULATION OR OP EAFRD 2014. – 2020. IS CHANGED**
SELECTING PROJECTS (LAG) consists of 5 major activities:

2a. Preparation and launching LAGs Call for measure that is activated by PA (PA does not approve LAGs Call)

2b. Receiving and opening applications for support

2c. Administrative check (eligibility of beneficiary, eligibility of project/activities) → Analysis 1

2d. Compliance with selection criteria + evaluations → Analysis 2

2e. Selecting projects by managing board
• APPROVING PROJECTS (PA) consists of 5 major activities:

3a. LAG LOADS WHOLE APPLICATION FILE IN THE IT SYSTEM FOR EVERY SELECTED PROJECT (AGRONET)

3b. PA MAKES SUPERVISIONS OF SELECTED PROJECTS (ELIGIBILITY) AND SELECTIONS PROCESS (TRANSPARENCY, EQUAL TREATMENT FOR EVERY BENEFICIARY, RANKING)

3c. PA MAKES AN AGREEMENT WITH BENEFICIARY OR REJECTS THE PROJECT

3d. ADMINISTRATIVE CHECK OF PROCURAMENT, VALIDITY OF COSTS AND BUSINESS PLAN

3e. APPROVAL DECISION/REJECTING
PAYMENT/MONITORING/EX POST – PA/LAG

- PAYMENT/MONITORING/EX POST (PA/LAG) consists of 5 major activities:
  1. **PROJECT IMPLEMENTATION AND SUBMITTING PAYMENT CLAIM**
  2. **ADMINISTRATIVE CHECK ON PAYMENT CLAIM – ARTICLE 48(3)(a) and (b)**
  3. **LAG MAKES SITE VISIT (NOT ON THE SPOT CONTROL) → PA MAKES SUPERVISION OF SITE VISIT**
  4. **DISBURSEMENT OF FUNDS**
  5. **EX POST/MONITORING**
• 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
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 café 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 od approved project by PA for small farmers → 10,2 millions EUR → 66% LDS LAGs 6.3.1
• Total amount od paid project by PA for small farmers → 5,1 millions EUR → 34% LDS LAGs 6.3.1
• 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 od 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
- Total amount LAGs selected projects for competitiveness of AH → 0,4 millions EUR → 9% LDS LAGs
- 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 $\rightarrow$ 35.3 millions EUR $\rightarrow$ 75% LDS LAGs

• Total amount of LAGs selected projects $\rightarrow$ 18.5 millions EUR $\rightarrow$ 39% LDS LAGs $\rightarrow$ 1000 projects

• Total amount of approved project by PA $\rightarrow$ 11 millions EUR $\rightarrow$ 24% LDS LAGs $\rightarrow$ 721 projects

• Total amount of paid project by PA $\rightarrow$ 5.1 millions EUR $\rightarrow$ 11% LDS LAGs 6.3.1

• 17 projects refused by PA
## IMPLEMENTATION DATA - OVERVIEW

Table 1. State of play in present LDS implementation

<table>
<thead>
<tr>
<th>Submeasure</th>
<th>Type of operation in line with OP</th>
<th>Amount, LDS (EUR)</th>
<th>Amount, LDS (%)</th>
<th>Launched calls</th>
<th>Allocation of fund in launched calls (EUR)</th>
<th>Allocation of fund in launched calls/LDS (%)</th>
<th>Selected project by LAG (EUR)</th>
<th>Selected project by LAG/LDS (%)</th>
<th>Contracted projects by PA (EUR)</th>
<th>Contracted projects by PA/LDS (%)</th>
<th>Contracted projects</th>
<th>Rejected projects</th>
<th>Paid amount (EUR)</th>
<th>Paid amount/LDS (%)</th>
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