FOCUS GROUP 3 (FG3):
IMPLEMENTATION OF THE MEASURE "COOPERATION" IN LEADER

REPORT TO THE LEADER SUBCOMMITTEE OF 20 MAY 2010

1. Background

The Leader Subcommittee during its previous meeting on 25 November 2009 decided to set up three voluntary Focus Groups. The role of the Focus Groups was to become active cells continuing the discussion about the progress of the implementation of the Leader approach in the Member States. Their objective was to gather relevant information and to identify or suggest solutions improving implementation, and to report these to the Leader Subcommittee scheduled to take place on 20 May 2010.

For each Focus Group certain members of the Leader Subcommittee agreed to take the lead. They kept a flexible format, open to new participants throughout their operation. Chair and participants of Focus Groups covered expenses linked to the operation of the Focus Groups themselves, with secretarial and content support provided by the EN RD Contact Point and the Commission.

2. Focus Group 3

2.1. Main topics

Transnational Cooperation (TNC) is considered as one of the key elements of Leader approach. The implementation of joint projects between LAGs in different Member States can contribute to increased competitiveness through new business partners and to the diffusion of innovation and know-how, bring new skills and also strengthen territorial strategy and territorial identity.

A TNC survey carried out by the EN RD among Member States indicated difficulties with the implementation of the 'Cooperation' measure. A draft working document, provided by EC DG AGRI to the FG3 Co-Chair, presented four main issues linked to TNC:

1. Different timing in decision-making and different administrative rules
2. Different expectations towards beneficiaries in different programmes
3. Information needs of different partners involved in TNC implementation
4. What are the key areas in which cooperation projects are most needed - what issues and how would that fit or contribute to the regional/national EU strategy?

The draft working document and its main issues listed above provided the basis for the work of FG3.

2.2. Participation

The Commission invited Leader Subcommittee members to express their interest to participate in the Focus Groups by 11 December 2009. Altogether, 15 Member States and one NGO representative(s) expressed their interest to participate in FG3.

Finland and Estonia agreed to lead FG3 in the role of Co-Chairs. At the moment FG3 launched its work, other participants included representatives from: Belgium-Wallonia, Denmark, France, Hungary, Italy, Lithuania, Luxemburg, Malta, Poland, Portugal, Slovakia, Czech Republic, United Kingdom (Northern Ireland) and COPA-COGECA. Among these the actual level of involvement and contribution varied. It shall be noted that the Co-chairs issued a second round invitation in the initial phase of the Focus Group work, in order to inject additional long-standing Cooperation experience. The additional invitation did not prompt further participation.

The EN RD Contact Point, in its function as secretary to the FG3 Co-Chair, provided coordination and content support to the work of the Focus Group.

2.3. Process

FG3 held two joint meetings, aiming to identify or suggest solutions to overcome, as far as possible, the differences that exist in the management of LEADER TNC projects in the different Member States. In addition, three web-meetings were hosted by the ENRD Contact Point, serving as a preparation and summing-up tool before, in between and after the joint meetings.

FG3 meeting schedule:
- 1st: Web meeting 5 February 2010;
- 2nd: Estonia 16 February 2010;
- 3rd: Web meeting 8 March 2010;
- 4th: Finland 30 March 2010;
- 5th: Web meeting 3 May 2010.

Throughout these meetings Member States representation included Managing Authorities, Paying Authorities, support units of National Rural Networks and LAGs. All participants confirmed that piloting the web-meeting tool has proven its practicality and usefulness to progress the work of FG3.

3. Proposals for solutions

The objective of FG3 was to gather information and to look for possible solutions to provide a response to the issues listed in section 2.1. above. A 5th item 'possible other problems/ proposals' was established to take into account additional issues that FG3 participants may raise.

FG3 proposals have been classified according to impact and feasibility:

- FG3 participants considered as proposals of *high priority* those that were regarded to have both high feasibility and high impact and suggested to implement these as soon as possible.

- Proposals considered to be of *second priority* (1. High impact, medium feasibility; 2. Medium impact, medium feasibility or 3. Medium impact, high feasibility) represent suggestions for the future which may or may not be considered for the following programming period.

3.1. Different timing in decision-making and different administrative rules

3.1.1. Different timing in decision-making
Issue:
Two types of decision-making procedures are currently used: ongoing application or periodical calls, followed by time-bound provisional approval or definitive approval. This leads to delays to the start of projects due to the fact that several approvals are needed for each project. Each Member State follows its own national rules and regulations and it is not possible to change that.

Proposals for solution:
Better cooperation between national authorities responsible for taking official decisions, as well as between LAGs and national authorities, would speed up the decision-making process. Therefore, a contact list of responsible national authorities should be made available, listing the persons in charge ('TNC managers') of the decisions on approval and payment of LEADER TNC projects. The information provided would include address, e-mail and phone number. In addition, language skills of the contact persons should be mentioned to facilitate the communication process. The National Rural Networks could collect the above-mentioned information from their respective countries and make it available on their and the ENRD website.

High priority: Contact information regarding LEADER TNC managers in the Member States on the Contact Point website would cover the following:
- List of TNC managers in National Rural Networks;
- List of TNC managers in Managing Authorities;
- List of TNC managers in Paying Agencies;
- List of TNC managers in charge of SFC project approval notifications.

All responsible parties should be pro-actively contributing to the reduction of delays in the decision-making process: each Member State could set a deadline, by which the MA has to take a decision.

Second priority: The maximum timeframe from submission of the TNC project application to its approval should be set for 6 months in each Member State.

However, FG3 participants highlighted their preference for an even more rapid approval process, i.e. the decision about TNC project approval should preferably be taken 3 months following submission of an application.

Regarding a harmonisation of the application system throughout the EU, FG3 undertook a debate whether on-going applications or synchronised periodical calls should be organised for TNC projects in order to minimise delays in the decision-making process. As a result FG3 participants concluded as follows:

- *High priority:* Both application/approval systems (on-going/periodical calls) shall be kept during the current programming period. The timing of periodical calls though should be harmonised. In addition, there should be an adequate number of calls (three calls per year).
- *Second priority:* For the next programming period all Member States should consider to opt for an on-going application system for LEADER TNC projects, in order to minimise the time for approval of TNC project applications.

3.1.2. Absence of preparatory technical support
Issue:
Not all Member States do follow the Commission's recommendation to include preparatory technical support for transnational cooperation projects into their programmes. However, preparatory technical support is especially important when a TNC project is started with a new partnership that has not worked together earlier on. Building trust between the partners as well as jointly agreeing on objectives of the project and division of tasks is essential for the success of any TNC project. Nevertheless, each Member State is entitled to follow its own national rules and practices.

Proposals for solution:
Those Member States that do not allow preparatory technical support could amend and include it into their programmes still during this programming period.

Second priority: In cases where no option for a preparatory project exists in a Member State, provision should be made by other means to allow for travel and negotiation costs for such purpose. Face to face meetings are considered vital in order to support project development and the commitment of the potential partners.

For the next programming period the Commission in its Guide on the measure 'Cooperation' could recommend to all Member States the possibility of technical meetings, to facilitate the need for both technical assistance (guidance) and technical support.

The maximum duration of TNC projects could be set longer than the duration of national projects, for example five years. The more complex structure of TNC projects as well as the issue of project partners originating from different countries and cultures requires more time for successful implementation.

3.1.3. Differences in the maximum level of funding
Issue:
The maximum level of funding for TNC projects might vary considerably in different Member States. In addition, most probably the LAGs from Member States that have a low level of total LEADER funding cannot contribute high amounts to one TNC project.

Proposals for solution:
The discussion among Focus Group participants concluded that no maximum or minimum levels for TNC projects funding should be set. The circumstances affecting the funding level, e.g. the different cost levels,

vary considerably from Members State to Member State. In order to stick to the LEADER approach, i.e. bottom-up initiative and response to local needs, the Focus Group considered it important to maintain a maximum of flexibility.

> *High priority:*
> - The introduction of minimum or maximum budget restrictions for TNC projects beyond existing budget ceilings that apply to Leader is not considered beneficial.
> - Requirements for funding should be explained properly, e.g. by writing down relevant examples of eligible costs.

Annex:
- *Examples of activities chosen and information about the amount spent on them: 'Ecoland', and 'European Wetlands' TNC project datasheets/budgets (FIN)*

3.1.4. Differences in documentation requirements

Issue:
Project partners face different documentation and reporting requirements of their respective national authorities, although they plan and carry their TNC project jointly. Example: some Member States require signed cooperation agreements to be annexed already when submitting the application form, while others at this stage do only ask for a letter of intent from the project partners.

Proposals for solution:
It is probably not practical to require agreements signed by all partners at a time when no final decision for funding has been obtained yet. Therefore, letters of intent/commitment should be considered sufficient. The respective Rural Development Programmes could be amended already during this programming period.

In the future, basic documentation requirements should be defined through examples (or rules). This would guarantee basic requirements similarly applied in all Member States:

- First, this should concern at least the letter of intent from the project partners (considered sufficient by the time of the decision-making);
- Second, the basic requirements for the partnership agreement (to be signed after the official decision of funding has taken place) should be the same in all Member States. Still to be discussed: the information considered relevant to LAGs for inclusion in the agreement (it should remain as flexible as possible).
- Third, the basic elements of information required in the application form should be the same throughout all Member States and this information could be further reported to the eventual ENRD database.

> *High priority:* Provision of basic documentation requirements through the Guide on the measure 'Cooperation', as a means of communicating examples (or rules):
> - The Focus Group participants requested more precise examples both of partnership agreement and letter of interest/ intent compared to the current example provided by the Guide on the measure 'Cooperation'.
> - Guidelines on joint basic information requirements for application forms.
>
> *Second priority:* At the stage of TNC project application, letters of intent should be considered sufficient or, alternatively, a provisional agreement.

Annex:
- *Example of information the agreement should provide: templates (Poland, Lithuania, Czech Republic, UK-Northern Ireland, Belgium-Wallonia);*
- *Example of information the agreement should provide: projects (Transnet, Ecoland, European Wetlands);*
- *Examples of agreement and application form (Italy, Czech Republic, Belgium-Wallonia, France);*
- *Example of the use of the letter of intent: Ecoland.*

The Focus Group also suggested that for the purposes of TNC every Member State/Managing Authority uses besides its national language at least one common language. This would include the translation of most relevant national documentation, such as guidelines for TNC projects, into the common language. The preferred common language made reference to was English or, in case of two languages would be opted for, English and French.

High priority: At least one common language used for communicating basic information and documentation, preferably English.

Furthermore FG3 participants suggested the harmonisation of EAFRD and EFF guidelines in order to support Transnational Cooperation of/with FLAGs. Managing Authorities working with FLAGs were encouraged to give priority to cooperation and networking. The potential of other cooperation programmes should be presented and integration should be promoted at national and European levels.

Second priority: Harmonization of EAFRD and EFF guidelines.

A database on administrative procedures for implementing TNC projects, which contains common basic national information, by Member States, could be placed on the website of the European Network for Rural Development.

High priority: A Database on national administrative procedures: - Inclusion of TNC administrative procedure fiches for each Member State (cf. issue 3.3.).

3.2. Different expectations towards beneficiaries in different programmes

3.2.1. Definition of "common action"
Issue:
Member States apply different criteria to define common actions", this leading to different interpretations at Member State and sometimes even at regional programme level, which impacts on and results in differences as to what is considered eligible TNC costs.

Proposals for solution:
Focus Group participants confirmed the need to communicate information about existing definitions, to the extent that these have been pre-defined in the form of national legislation or other national guidance documentation. It was agreed that where such definition exists, it shall be included in the TNC administrative fiches, for which a template has been developed by the Contact Point and which was piloted by Focus Group participants (cf. issue 3.3.). With respect to the Guide on the measure 'Cooperation' it was suggested to complement the current definition with a list of typical joint actions, based on the experience of the current programming period, as and when information becomes available.

- *High priority:* Where existing, provision of national definition of common action by means of TNC administrative procedure fiches.   - *Second priority:* Complement the current definition of common action in the Guide on the measure 'Cooperation' with typical examples as and when Member State information becomes available, to reduce uncertainty.

Annex:
- *Examples of definition of common action (IE/UK-NI: excerpt from LAG Guidance on North South Cooperation Projects; Czech Republic)*

3.2.2. Funding of common costs

Issue:

Common costs are cooperation coordination and activities shared among partners. The Guide on the measure 'Cooperation' suggests that the funding of these costs is shared among partners on the basis of the cooperation agreement. An invoice related to common costs is examined by different authorities with a risk of contradictory decisions taken (different definition or interpretation of common costs).

Proposals for solution:

To support the LAG practitioner level it was recommended to include information about eligible and/or not eligible cost categories into TNC administrative procedure fiches (template developed by the Contact Point) which was piloted by Focus Group participants (cf. issue 3.3.), provided eligible cost categories have been pre-defined in the form of legislation or other national guidance documentation.

- As a general principle, it was felt appropriate to provide for general cost categories and hence maximum flexibility, in order to allow for detailed definition of common costs, to the extent possible, in the cooperation agreement.
- More specifically, it was felt impractical to limit the expense of common costs to the Member State territory of a partnering LAG, so as to allow for sharing costs resulting from common actions.
- A proposal to attribute common costs to the budget of the leading LAG did not find the full support by the Focus Group, as the difference in available TNC budget ceilings could establish new restrictions.
- A second alternative proposal, which suggested that common costs remain spread over partnering LAGs, but that the eligibility decision of the Managing Authority of the leading LAG will be accepted and applied by the Managing Authorities of the partnering LAGs, was found difficult to implement in terms of national audit(trail) rules.

High priority: Where existing, provision of information about eligible and/or not eligible costs by means of the TNC administrative procedure fiches.
Second priority:
- Limitation of the definition of common costs to general cost categories to provide for maximum flexibility (specifics to dealt with at cooperation agreement level).
- Unrestricted support to common action by avoiding territorial restrictions being applied to common costs.

Annex:
- *Examples of eligible TNC cost categories: Italy, Belgium-Wallonia*

3.3. Information needs of different partners involved in TNC implementation

3.3.1. What are the information needs?

Issue:

Sharing information is of key importance to facilitate cooperation, during different phases of the project cycle. The Focus Group therefore considered possible information needs in order to propose or comment on suggested tools for sharing information. Of central concern was the absence of information about different rules, timing of open-calls, approval of projects and the way to monitor the process, points which have also been touched upon under previous issues.

Proposals for solution:

Focus Group participants agreed to the ENRD Contact Point's proposal for TNC administrative procedure fiches as the most appropriate way to inform LAGs about the rules governing TNC for LAGs from other Member States they aim to partner with. TNC fiches were piloted by Focus Group participants in their respective Member States to gather LAG feedback about their structure and usefulness. The LAG feedback confirmed that it will be useful for the TNC fiches to introduce standardised/comparable information in the

TNC procedure fiches. Most frequent feedback by LAGs relating to TNC fiche contents considered essential included:

- Selection procedure: time periods for submission of applications, duration of approval process;
- Financial framework: min/max financing available;
- Eligible common costs (or provide link to info source);
- Examples of common actions.

Beyond the TNC fiches, which were understood to feed mainly the practical needs of the LAGs, the provision of practical support to TNC task managers within MAs, PAs, and NRN support units in by Member States for coordination purposes was considered. The resulting suggestion was to establish joint lists of TNC task managers within MAs, PAs, and NRN support units, for publication on the ENRD website.

In the same context the organisation of 'technical meetings' for these TNC task managers (possibly held by the ENRD Contact Point) was suggested, in order to stimulate networking, raise awareness about information issues and to develop practical ways of simplifying TNC processes. Suggested topics included:

- Implementation support to LAGs, involving LAG managers and authorities to increase awareness about needs and benefits of TNC (i.e. both on administrative topics and key project achievements, also taking into account the workings of FG3): these could involve case studies presented by project holders and relate to different project stages (preparation, application, implementation including monitoring/reporting of project holders to authorities) to clarify the involvement between project and administration level – issues/problems and solutions if identified;
- SFC training, to inform the relevant officers of the notification practicalities: the current help/training feature of the SFC system is missing information related to TNC notification (it was noted that in addition, that the notification process requires local collaborative solutions between the Paying Authority and the notifying officer).

Focus Group participants considered important to communicate in advance the benefits expected from such meetings, which would represent a closely collaborative effort by NRNs, given the high numbers of Paying Authorities that are involved in cases where TNC projects fall under the management by regional/local authorities.

High priority:
- ENRD Contact Point to circulate the agreed template for TNC administrative procedures for completion by
  those Managing Authorities, who have not replied to the previous ENRD TNC survey.
- ENRD Contact Point to collect relevant information from the Member States to prepare and post on the
  ENRD website:
  - List of TNC managers in National Rural Networks;
  - List of TNC managers in Managing Authorities;
  - List of TNC managers in Paying Agencies;
- ENRD and Leader Subcommittee to consider the organisation of 'technical meetings' for TNC managers
  (possibly linked to other events). Joint reflection whether to organise such meetings directly in the Member
  State' or to hold them centrally as a training of trainers.

Annex:
- *Agreed TNC administrative procedures template*
- *Suggested templates for establishing separate lists of TNC managers in National Rural Networks, in Managing Authorities and in Paying Agencies.*

3.3.2. Information exchange between Managing Authorities delivering transnational cooperation grants

Issue:

According to Article 39.5 of Regulation (EC) 1974/2006 "Member States shall communicate to the Commission the approved TNC projects in order to facilitate at EU level an exchange of information. It was

decided that the notifications should be sent by the MS via SFC 2007. Until now very few approved projects have been notified through SFC 2007, using the information exchange form annexed to the Guide for the implementation of the Measure "Cooperation", although the previous Leader Subcommittee (25 November 2009) provided for indication that some TNC projects have already been approved. The Focus Group considered ways to improve the exchange of information about TNC projects between Member States and regions to timely circulate information about approval of the projects.

Proposals for solution:
There was consensus among Focus Group participants that the establishment of a list of SFC managers will facilitate direct networking/information exchange among Member States. A further suggestion made in relation to issue 3.1.1, which concerned the preparation of information by Member States enabling the establishment of a list of periodicities of calls for TNC applications (where applicable). Both lists should be considered for posting on the ENRD website.

> *High priority:* ENRD Contact Point to collect relevant information from the Member States to prepare and post on the ENRD website:
> - List of TNC managers in charge of SFC project approval notifications.
> - List of periodicities of calls for TNC applications (where applicable).

Annex:
- *Suggested template for establishing the list of SFC managers*
- *Suggested template for information about periodicities of calls for TNC applications (by Member State, as applicable).*

3.4. What are the key areas in which cooperation projects are most needed - what issues and how would that fit or contribute to the regional/national EU strategy?

> *High priority:* Projects representing relevant TNC experience should be made available (e.g. via ENRD website) as information becomes available, as there is a shortage of ideas for TNC projects, especially in the Member States that do not have previous experience.
> *Second priority:* There was consensus among Focus Group participants that neither thematic restrictions nor fixed ideas for TNC projects should be written into the RDPs or local action plans of LAGs. It was considered unlikely that good ideas can be exhaustively pre-defined. For the same reason, Focus Group participants could not agree to limit cooperation to specific areas. A TNC project contributing to the implementation of the objectives of the local development strategy was considered sufficient.

For the time being, the FG participants (Italy) and the Contact Point, agreed to provide indicative information about current TNC thematic trends.

Annex:
- *Tables indicating the number of partnership offers by thematic area and Member State. (Italian NRN, ENRD Contact Point).*

3.5. Other problems/ proposals taken up

Second priority: Certain Focus Group participants suggested that the management of TNC projects require professional staff and that employing coordinators or other permanent staff to manage TNC projects at LAG level was considered a good practice.

Annex:
- *Example: cooperation guide document prepared in consultation with national administration and expert inputs (BE-WAL)*

Annexes: all annexes referred to above can be downloaded via weblink:
http://static.enrd.eu/FG3_Report_Annex.zip