



*European Network for
Rural Development*

**Leader subcommittee Focus Group on
Implementation of the Measure "Cooperation"**

Mini-Survey Synthesis Paper

November 2010



Connecting Rural Europe

Executive Summary

The present document reports the progress made by Leader subcommittee Focus Group on the implementation of the measure cooperation ("Focus Group 3") in relation to step 3 of its work plan for the period between the Leader subcommittee meetings of May and November 2010: it provides a synthesis of the main findings of the FG3 mini-survey on transnational cooperation (TNC).

The co-chair of Focus Group 3 suggested a mini-survey among FG3 participants and their stakeholders, including LAG/project managers preparing or running TNC projects and administrators involved in the processing of TNC project applications and payments. The purpose of the survey was to establish further evidence that can help deepen, in particular, the discussion of three FG3 issues:

- Definition of the common action;
- General eligible categories of common costs ;
- Key areas for cooperation projects.

In the cases of the FG3 issues 'common action' and the 'key areas' topics FG3 participants and their stakeholders provided information or made suggestions that led to the establishment of typologies, which have been considered for the structure of the present synthesis:

- For the *definition of the common action* the survey responses led to the suggested identification of three types of common action, i.e. process-; result-; expenditure-type oriented definitions have been provided.
- For the *general categories of common costs* that were considered eligible by the different survey respondents a wide range of expenditure items has been provided. In accordance with the review carried out during the third FG3 meeting, this synthesis paper restricts itself to establish a list of particular expenditure items survey respondents have frequently referred to. The list was complemented by a 'case brief' in which a typical LAG approach to the common cost issue was presented.
- Concerning the establishment of information about *key areas* frequently considered *for cooperation projects* a survey respondent suggested a typology, which has been applied by the present synthesis to cluster the TNC themes identified by all survey respondents. Accordingly, the examples of areas frequently addressed by Cooperation, collected through the survey, are presented in four clusters: genuine cross-border / transnational themes; non-area-specific themes; area-specific themes and target group-oriented themes.

A first draft of the mini-survey synthesis paper was circulated among FG3 participants for consultation and feedback at the beginning of November 2010. At the same time it was communicated to the members of the Leader subcommittee to inform about the progress made by FG3. During the third FG3 meeting on 11 November 2010, participants reviewed and have agreed the final synthesis findings presented in this document.

Consultations among FG3 participants also lead to the consideration of the 'Ihana project' case, which touched on the FG3 issue 'common costs', demonstrating both the use and avoidance of common costs, which then was also presented to the enlarged Lsc meeting, which took place the day following the FG3 meeting.

Brief presentations ('case briefs') are among the elements suggested to become part of the dissemination proposals FG3 has made, in order to share the information gathered and related findings for the benefit of a variety of rural stakeholders interested in TNC.

Table of Contents

1	Introduction	3
1.1	Rationale.....	3
1.2	Deepening the discussion of specific FG3 issues	3
1.3	Objective of the FG3 Mini-Survey	4
1.4	Responses to the FG3 Mini-Survey.....	4
1.5	Concluding steps taken.....	5
2	Definition of the Common Action	6
2.1	Current definition.....	6
2.2	Process oriented definition.....	6
2.3	Result oriented definition.....	7
2.4	Expenditure type orientation.....	8
2.5	Findings of the FG3 meeting	9
3	General eligible categories of Common Costs	10
3.1	Objective and response quality.....	10
3.2	Costs frequently considered eligible.....	10
3.3	Requirements for acceptance of common expenditure.....	11
3.4	Findings of the FG3 meeting	12
4	Key areas for Cooperation projects	14
4.1	Support to project ideas generation.....	14
4.2	Examples of areas frequently addressed by Cooperation (cluster typology)	14
4.3	Findings of the FG3 meeting	15
5	Conclusions	16
5.1	Overcoming bottlenecks and identifying future issues.....	16
5.2	Capitalisation of FG3 findings.....	16
5.3	Continuing support to the implementation of the Cooperation measure	16
	Annexes	17

1 Introduction

1.1 Rationale

Members of the Lsc decided to set up Focus Groups, to which participation was voluntary and open to all actors involved in the process of application and implementation of Transnational Cooperation (TNC) Projects.

FG3 participants from Local Action Groups (LAGs), Managing/Paying Authorities (MA/PA) and National Rural Networks (NRNs) formed an active cell, discussing the progress of the implementation of TNC in the Member States. The findings of these discussions are regularly reported on the occasion of the meetings of the Leader subcommittee.

1.2 Deepening the discussion of specific FG3 issues

FG3 has held a series of meetings trying to elaborate a response to difficulties initially observed in relation to the implementation of the 'Cooperation' measure.

In its work plan for the period between the Leader subcommittee meetings of May and November 2010, the co-chair of Focus Group 3 suggested to hold a mini-survey among FG3 participants and their stakeholders. These stakeholders included LAG/project managers preparing or running TNC projects and administrators involved in the processing of TNC project applications and payments.

The purpose of the survey was to deepen in particular the discussion of three FG3 issues.

1.2.1 Definition of the common action

- **FG3 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.
- **FG3 suggestion:** collect and provide typical examples of the definition of the common action as and when Member State information becomes available, to reduce uncertainty.

1.2.2 Funding of common costs

- **FG3 issue:** Common costs are cooperation coordination and activities shared among partners. 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).
- **FG3 suggestion:** collect typical examples of general eligible cost categories, provided these have been pre-defined in the form of legislation or other national guidance documentation.

1.2.3 Key areas for cooperation projects

- **FG3 issue:** What are the issues for which cooperation projects are most needed to overcome local development challenges - how does TNC fit or contribute to the regional/national EU strategy?
- **FG3 suggestion:** Projects representing relevant TNC experience should be made available 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.

1.3 Objective of the FG3 Mini-Survey

The main difficulty detected during earlier FG3 discussions in respect of the above was that bottlenecks were generated, because a considerable number of actors at all involved levels have *limited experience* with the processing of TNC applications and the management of TNC projects.

- **Survey objective:** FG3 aimed to collect typical examples to improve the availability of relevant information improving TNC implementation in the short to medium term, and to present these to the Lsc scheduled to take place on 12 November 2010.
- **Survey target group:** LAG managers/project managers preparing or running TNC projects and MA/PA administrators involved in the processing of TNC project applications and payments.

Ultimately, the co-chair aspired for the survey outcome to support TNC information exchange and knowledge development for this current 2007-2013 programme period across all EU Member States.

Stakeholders were invited to submit to their FG3 representative typical examples of the:

- Definition of the common action;
- General eligible categories of common costs ;
- Key areas for cooperation projects.

1.4 Responses to the FG3 Mini-Survey

1.4.1 Response typology

Taking into account the work load and the limited time stakeholders possibly could make available, the survey invitation explicitly stated that examples could be submitted in any form available, such as templates, forms, excerpts from guidelines, presentations, web-links or any other type of document.

Responses varied accordingly. From the submissions received, two types of contributions can be identified:

- The first type involves narrative contributions summarising existing common practices and/or rules;
- The second type relates to the submission of documentation, accompanied by brief explanatory notes/emails describing the example documentation provided.

1.4.2 Response level

The present synthesis paper takes into account contributions received by 30 November 2010¹. Considering that FG3 participation has increased from 15 to now 20 Member States² and one NGO, the current FG3 overall survey response rate amounts to 33% (including contributions from Austria, Denmark, Germany, Estonia, Finland, Slovakia and Portugal). The response rate among new FG3 participants amounts to 40% (Austria and Germany).

A number of FG3 participants expressed intention to respond to the survey later than the closing date³. Furthermore, it is fully acknowledged that 'older' FG3 participants made earlier contributions relevant to the subject of the present survey, which have guided the conclusions previously reported to the Leader

¹The initial survey closing date was 27 October 2010.

² Participants from Austria (LAG), Germany (NSU), Latvia (NSU), the Netherlands (LAG, NSU) and Sweden (NSU) have joined FG3 after the previous Leader subcommittee (May 2010).

³ Later contributions received from UK Northern Ireland (NSU, 08 November 2010) and Italy (NSU, 22 November 2010) improved the overall response rate to 43%.

subcommittee in May 2010. Where appropriate, these contributions have been considered in the present synthesis paper⁴.

1.4.3 Response analysis approach

Given the variety of responses received the present paper aims to synthesise the contributions received. The approach taken structures the information made available by FG3 participants along the responses received in relation to the FG3 issues considered for deepened discussion:

- Definition of the common action;
- General eligible categories of common costs ;
- Key areas for cooperation projects.

In the cases of the FG3 issues 'common action' and the 'key areas' topics FG3 participants provided information or made suggestions that led to the establishment of typologies, which have been considered for the synthesis structure, as appropriate.

1.5 Concluding steps taken

A first draft of the present mini-survey synthesis report was circulated among FG3 participants for consultation and feedback at the beginning of November 2010. Furtheron, it was discussed at the third FG3 meeting, which took place at the premises of the Contact Point in Brussels on 11 November 2010. Participants reviewed and have agreed the final synthesis findings presented in this document.

Consultations among FG3 participants also lead to the consideration of a case presentation, which touched on the FG3 issue 'common costs', demonstrating both the use and avoidance of common costs, which then was also presented to the enlarged Lsc meeting, which took place the day following the FG3 meeting.

Case presentations are part of the elements of the dissemination proposals⁵ FG3 has developed for sharing the information gathered and related findings for the benefit of a variety of rural stakeholders interested in TNC.

⁴ Most importantly contributions made earlier by Belgium-Wallonia, Finland (general categories of eligible common costs), Italy (general categories of eligible common costs and key areas of cooperation) and UK Northern Ireland (definition of the common action, general categories of eligible common costs). The Finnish and Italian contribution being accounted for results in a hypothetical response rate of 48%.

⁵ A first tentative proposal by FG3 for consideration can be found in the Annex of this report.

2 Definition of the Common Action

2.1 Current definition⁶

[As regards the elaboration and implementation of a joint action,] *a cooperation partnership should be encouraged to work on the development of common products. They must involve a concrete joint project managed under a coordinator local action group in charge of coordination. The practical cooperation may have two, often complementary, objectives: to achieve the critical mass required for a common project to be viable and to identify complementarities⁷.*

The cooperation project corresponds to a concrete action with clearly identified deliverables producing benefits for the territories. Expenditure relating to the Leader area does not mean necessarily expenditure located in the area. The action is "joint" in the sense that it is being jointly implemented.

The content of the joint action may cover a whole range of activities eligible under the axis/es implemented through the Leader method. Joint actions that can be funded might also be focused on capacity building, transfer of experience on local development through e.g. common publications, training seminars, twinning arrangements (exchange of programme managers and staff) leading to the adoption of common methodological and working methods or to the elaboration of a joint or coordinated development work⁸.

Survey addressees were requested to provide typical examples of joint actions, based on their experience in the current programming period. Different proposals were made how the existing definition above could be complemented.

2.2 Process oriented definition

The *Austrian representative*, Manager of the LAG 'PillerseeTal-Leogang / Kitzbüheler Alpen', shared experience both from ERDF (Interreg/Interact) and EARDF (Leader) to explain his vision. The ERDF related contribution makes evident that at practitioner level the engagement in a common action is understood as not simply driven by the objective to jointly work towards common results.

TNC is understood as the legitimate choice of project implementation, if the ambition to jointly achieve common results roots in an initial situation that launches a genuine process, which involves the presence of joint consultation, joint decision, joint input and output responsibilities. This process ranges from the very early stages of project development to the moment of monitoring framework parameters indicating satisfactory accomplishment of common project results.

Taking into account its involvement in INTERREG IV A and B projects and drawing from the contents of an INTERREG template and the INTERACT Handbook of 2007, the LAG communicated four main process criteria that could define a common action:

Common planning

- All partners work on the project's development prior to the official application;
- All partners decide together about project milestones: budget, goals, results, timetable and responsibility;

⁶ Guide for the Implementation of the Measure Cooperation under the Leader Axis of Rural Development Programmes 2007-2013 (RD12/10/2006 rev3)

⁷ Idem, p.3

⁸ Idem, p.6

- All partners learn together and gain some knowledge during the project's development.

Common execution

- All partners have contractual or otherwise fixed responsibilities for the execution of the project;
- Every partner is involved and is responsible to reach goals and mid-time results;
- Every partner has at least one specific field of activity.

Common human resourcing

- Good networking and regular exchange takes place between persons involved by each partner;
- If possible, parallel functions and organisations should be avoided.

Common financing

- The project has a common budget and every partner is aware of its budget and field of responsibility;
- The budget can be broken down into a budget per partner, per timeframe or per action;
- A monitoring framework is installed for the project. If necessary, all above criteria could be underpinned with several indicators that can be measured.

2.3 Result oriented definition

The *Austrian representative* also reported the following three situational outcomes to determine the suitability for engaging in the process of common action, ultimately leading to common results, i.e.:

- Getting to know each other and sharing some information or common interests;
- Either sharing of know-how or solely collaborating on a very concrete topic (example: building up a rural education center);
- Bringing together two organisations or companies from within the LAG areas, with both of them having a strong view on business issues. Both should have the idea, or more precisely, should have come to the conclusion, that only cooperation outside the established 'old' market may satisfy the need for further success (i.e. a win-win situation where both or more partners gain more than they give in terms of time and money).

Drawing from the experience of preparing numerous Leader TNC projects⁹, the LAG manager emphasizes the high variability of Leader projects. In the case of LAG 'PillerseeTal-Leogang / Kitzbüheler Alpen' these involve a variety of different types of actors, such as local farmers, representatives of associations, SMEs and/ or mayors and touch on a variety of themes such as culture or energy. While he concludes that any of these actors or themes may be matched to a TNC process, he points out that the first stages of the TNC process require time and funds LAGs often can not provide a budget or resource for.

In so far, the Austrian LAG manager welcomes the intention to capture the definition of the Common Action – if this ensures that the many good opportunities that are identified do realise. A possible minimum standard for what constitutes a Common Action though should not lead to the addition of another difficult step for the preparation of TNC projects.

⁹ Within LAG 'PillerseeTal-Leogang / Kitzbüheler Alpen' two TNC projects have reached implementation stage so far: (1) 'Building up a Rural Education Centre' (LAG Pillerseetal-Leogang & MAS Nad Orlici), project approved in 2009, running until end of 2011. (2) 'European Jacob trails' (involving over 40 LAGs from Germany, Austria and partners from Poland, Czech Republic, Italy and Switzerland), official project partner and coordinator of all participating Austrian LAGs, project approved in Germany since 08/2010, Austria 01/2010, running until 2013.

The example of a national definition provided by the *Danish NRN representative* points to a preference for a result oriented definition. A cooperation project¹⁰ is understood as a project where several actors, including at least one LAG, cooperate in order to implement a project with common goals.

According to the Guide for North/South Cooperation between *UK Northern Ireland* and Ireland, a common action is e.g characterised by partners that share an opportunity or concern in common, hence working together allows them to achieve the scale to make a project possible/viable. Alternatively, a common action could bring together partner organisations in different geographic regions of which one has already developed an approach, which may be adapted for a similar issue for use by another LAG.

The result oriented definition provided by the *Italian NRN* requires that the Common Actions undertaken by rural partnerships directly contribute to the implementation of the local development strategy, ultimately leading to:

- Joint production and commercialisation of products belonging to one or more categories (agricultural, food, craft sector, or other) typical for rural areas, through the realisation of research and surveys, pilot projects, good practice transfer, implementation of services, interdistrict plans, policies, communication policies and other;
- The valorisation of the historical and cultural heritage of territories with common characteristics, through marketing and integrated communication actions, informative staff training activities, good practice transfer, implementation of thematic tourist itineraries, communication policies, and other;
- The improvement of the quality of life in rural areas, through the implementation of services in social and cultural fields, actions for environment preservation, diffusion of ICT and telematics, employment enhancement and improvements especially addressing women and young people, and other.

In terms of situational outcomes, the Italian contribution suggested that the Common Action allows a rural area to overcome the local dimension and to facilitate the acquisition of innovative methods and new skills in rural areas through the achievement of a critical mass.

2.4 Expenditure type orientation

In the case of *Germany* a recently issued orientation paper providing TNC guidelines¹¹ distinguishes, for the purpose of the expense settlement procedure, four types of common action:

- **Overhead projects:** these comprise jointly implemented and hence indivisible actions that lead to a result that cannot be linked to a specific territory (e.g. a joint flyer/brochure or internet presence);
- **Joint (genuine) cooperation projects:** the 'original' type of cooperation project in its classical meaning can only be implemented on the whole and not in part. Once again its result can not be attached to a specific territory as it represents an indivisible action (e.g. a joint study or training measure);
- **Basic cooperation projects:** these are jointly planned, coordinated and jointly selected, but self-contained, (parts of an) undertaking(s). These actions are planned in a coordinated manner, but their implementation takes place separately.
- **Accompanying / flanking cooperation projects:** the implementation of these undertakings follows criteria, which have been pre-agreed for the purpose of Cooperation. However, the action

¹⁰ According to the Danish NRN, their national definition applies the notion 'cooperation project' instead of the term 'Common Action'.

¹¹ According to the German NRN, these orientation guidelines were agreed by (managing, approval and paying) authorities of six German RDPs to overcome common cost issues rooting in uncertainty about the definition of the Common Action. They are non-binding and are solely meant to support involved authorities in their TNC management tasks.

itself is selected by a LAG without participation/consultation of the other Cooperation partners that have agreed to these criteria. Instead, partners are keeping each other informed about the action and its results to the extent of relevance to the implementation of the objectives of the Cooperation they have agreed to.

The example of a cooperation agreement provided by the *Estonian representative* provides evidence of LAGs from Estonia ('Pandivere Development and Incubation Centre') and Finland ('Northernmost Lapland Leader') applying a mixed concept. The way the common action is described in the agreement's budget section (depending on the different project activities & results), the agreement carries elements the German concept categorises as overhead project and basic cooperation project.

Similarly, two LAGs from *Finland* reported their clear preference for common actions the German definitions categorise as overhead projects and basic cooperation projects. The LAG 'Karhuseutu' considers sharing costs a burden rather complicating TNC for local actors¹². This is avoided by putting the focus on self-contained undertakings (e.g. entrepreneur workshops/networking, music training camps and concerts) or on pre-agreed overhead projects involving technical tasks/steps for which costs are separable (e.g. flyer/brochure or internet presence). The Finnish LAG 'Aktion Österbotten' in partnership with the Swedish LAG 'Leader Hälsingebygden' together ran summer school camps about joint traditional folk music and joint cultural heritage. The partnership managed the TNC project in the same way, implementing common actions without establishing common costs.

2.5 Findings of the FG3 meeting

During the third Focus Group meeting on 11 November 2010 the discussion quickly focused on the expenditure-type oriented definition. FG3 participants confirmed that, while LAGs are predominantly clear about the features of the Common Action, interpretative issues occur at administrative level.

The mainstreaming of Leader has led to a change of administrative responsibilities for programme implementation. However, in a number of cases¹³ a transfer of Leader implementation experience appears not to have taken place, resulting in a lack of understanding when it comes to the understanding what constitutes a Common Action. This absence of experience ultimately results in the application of very restrictive interpretations of what implementing authorities consider eligible expense in the frame of a common action.

As a consequence many TNC projects holders appear to have opted in a 'direct reflex' to avoid interpretative issues, by resorting like in the examples stated in 2.4 above, to common actions that are separable into self-contained undertakings or pre-agreed overhead projects.

The information collected by FG3 could be taken into account for a clarification of the definition of the Common Action in the administrative Guide for TNC, as part of a revision envisaged to take place in 2011.

¹² Cf. Annex 3 'Ihana' Case Brief

¹³ According to the FG3 chair, the change of administrative responsibility did not have such impact in Finland

3 General eligible categories of Common Costs

3.1 Objective and response quality

Common costs are cooperation coordination and activities shared among partners. Stakeholders addressed by the survey were asked to provide typical examples of general eligible cost categories¹⁴.

The objective of this exercise was to establish evidence-based information that can help reducing uncertainty when it comes to the examination of invoices by different authorities. It is intended to ultimately share this information by a dissemination modus still to be determined, thus lowering the potential for contradictory interpretations as to what may establish an eligible common cost.

The following provides an overview of the replies, which have been obtained from different sources, including FG3 participants and stakeholders addressed by FG3 participants. The responder's background is indicated accordingly.

Survey respondents were explicitly asked to provide cost categories that are pre-defined in the form of legislation or other national guidance documentation. The information from LAGs may not necessarily fulfill this requirement, which - given time constraints - could not be verified in all cases. However, the cost category information provided by LAGs is deemed highly valuable, as it is evidence-based (relevant practical experience).

It is highlighted that it was the intention of FG3 to 'make things simple' by sharing information about costs frequently considered eligible, and not to establish a new regulatory framework of new or restrictive rules.

3.2 Costs frequently considered eligible

The table below lists those costs frequently considered eligible and offers additional Member State information (further cost details, as available). A distinction has been made between genuine common costs and project-related (associated) local costs (cf. remarks in section 3.4 below):

Cost type	Eligible Cost	Additional Information
Common Costs	Concepts, planning and certification expenses	<ul style="list-style-type: none"> Preparatory activity: expenses relating to conception and development of the project; general expenses relating to the organisation and coordination of planning and pre-development activities
	Interpretation	<ul style="list-style-type: none"> Preparatory activity: partner search
	Translation	<ul style="list-style-type: none"> Preparatory activity: partner search
	Surveys	<ul style="list-style-type: none"> Development, elaboration & implementation,
	Studies	<ul style="list-style-type: none"> Feasibility studies, research, specific consultancies and associated activities
	External consultants, additional staff, coaching	<ul style="list-style-type: none"> Best practice exchange, including the recourse (labour contracts) to third parties for research, evaluation and the transfer of experience

¹⁴ Common costs correspond to shared expenditure as indicated in Annex I of the Guide for the Implementation of the Measure Cooperation under the Leader Axis of Rural Development Programmes 2007-2013 (RD12/10/2006 rev3)

	Training	<ul style="list-style-type: none"> • Training/dissemination among members of participating LAGs • Training module development and introductory/pilot training of beneficiaries
	Project information & communication	<ul style="list-style-type: none"> • Public relations - promotional material (flyer, leaflets, guides, websites), events, other • Investments in equipment for communication
	Managing the TNC project	<ul style="list-style-type: none"> • Expenses of the lead partner LAG for coordination activities, monitoring and evaluation of the project, if and as agreed by partners
	Running a common structure / network	<ul style="list-style-type: none"> • Expenses relating to the constitution and running of a common structure)
Local costs	Office running costs	<ul style="list-style-type: none"> • Office rent (hire of premises) • Organisation and implementation of planning activities including costs for administration and secretarial activities, monitoring, for utility bills, hire of premises other
	Office equipment	<ul style="list-style-type: none"> • Purchase of telephone and computer services
	Travel & accommodation	<ul style="list-style-type: none"> • International & local travel expenses • Possibility of exception: excursions/meetings of project partners: joint travel activities during the meeting
	Seminars, Workshops	<ul style="list-style-type: none"> • Room rental for joint meetings (note: if meetings are related to coordination, these can be considered common costs; cf. above sub-section 'managing the TNC project') • Preparatory activity: partner search – study visits and associated activities
	Organising meetings	<ul style="list-style-type: none"> • Coordination of partner meetings including travel costs (note: if meetings are related to coordination, these can be considered common costs; cf. above sub-section 'managing the TNC project'), board and accommodation, local transport, mission allowance, hire of premises and equipment • Possibility of exception: common costs c.f. 'Managing the TNC project' • Preparatory activity: partner search – including the hire of premises, equipment, catering

3.3 Requirements for acceptance of common expenditure

Some of the FG3 participant input provided information about how costs and more specifically common costs may be claimed.

In the case of *Italy* indirect general costs must be determined pro rata in a transparent and impartial fashion, duly justified and documented. The expense categories for cooperation can refer to preparatory actions, management and shared structures, and to project actions. It is for the cooperation agreement to clearly indicate the method and the criteria for the allocation of actions (in the case of project actions: shared, partially shared or individual activities) and of the relative expenses between the TNC project partners.

In *Germany*, the orientation paper providing TNC guidelines indicates that it is the type of common action that determines the way claims are to be made:

- **Overhead projects** (jointly implemented and hence indivisible actions). Alternative (a): each LAG applies and its MA approves separately the LAG's share of the cost. LAGs located within the territory covered by one and the same MA/PA may opt to apply jointly for their common costs. Service providers provide separate bills to each of the partnering LAGs, according to the shares agreed in the cooperation agreement. Each of the separate bills must also show the total amount invoiced by the service provider and the share of costs covered by each of the partnering LAGs (name & percentage covered). Alternative (b): the lead coordinating LAG applies for global payment, providing a complete expense dossier, which provides separate detail of the global expenses ('Gesamtrechnungsblatt') and of the share of expenses ('Teilrechnungsblätter') for each of the partnering LAGs. Approval and control authorities of the partnering LAGs consider the decisions made by the lead coordinating LAG. Each of the partnering LAGs hence is a direct beneficiary/recipient of payments.
- **Joint (genuine) cooperation projects** (implemented on the whole and not in part). Claims may be made the same way as for overhead projects.
- **Basic cooperation projects** (self-contained, parts of undertaking(s)). As this part action implemented by a LAG is financed exclusively under one RDP and hence under the authority of a single MA no specific modalities need to apply. However, each LAG is obliged to share the results of its part action with the partnering LAGs (communication by lead coordinating LAG).
- **Accompanying / flanking cooperation projects:** (implementation follows joint pre-agreed criteria, action itself is selected participation/consultation of partnering LAGs). Claims may be made the same way as for basic cooperation projects.

With regards to territorial restrictions to common costs, which were witnessed by FG3, it is worth mentioning Article 65.2 of Council Regulation n°1698/2005, which indicates that 'only expenditure relating to the territories within the Community shall be eligible for support'; 'expenditure is not necessarily located in the area'. The only condition that applies is that the action generating the cost is 'related' to a LAG located in the EU or leads to the achievement of benefit for its area.

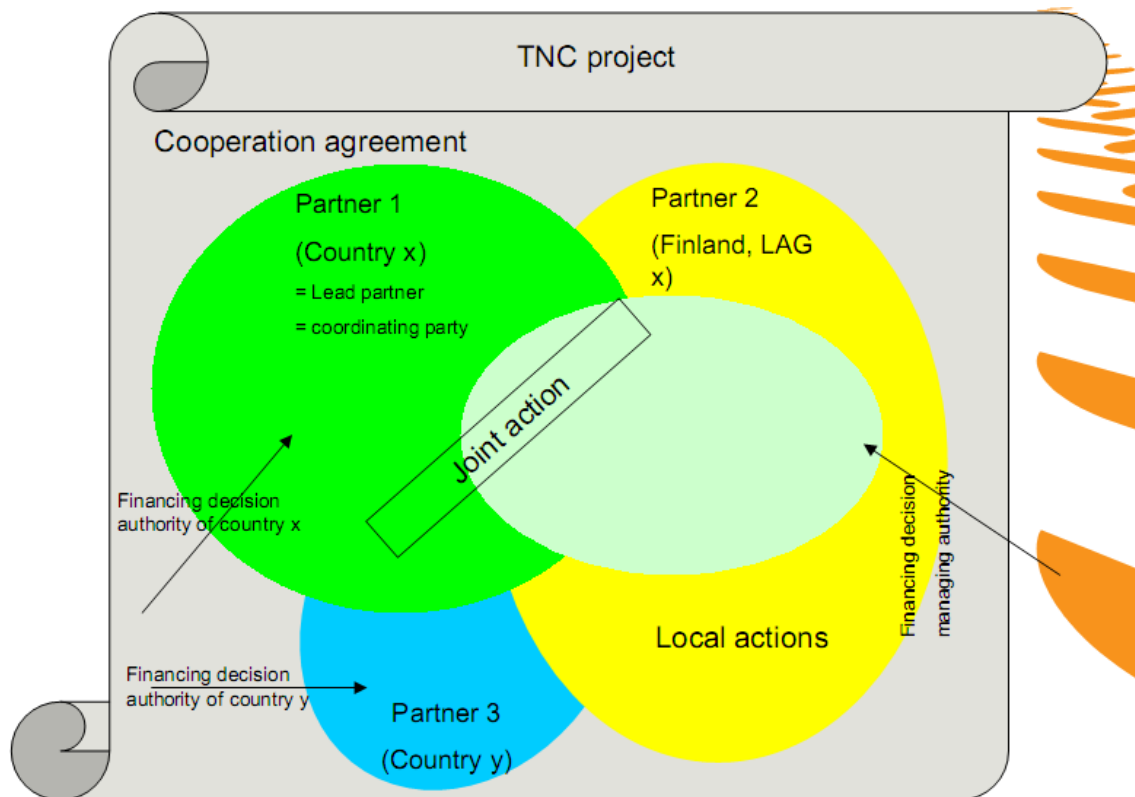
3.4 Findings of the FG3 meeting

The draft list of frequently considered eligible costs presented on 11 November 2010 was welcomed at the third Focus Group meeting, with participants highlighting that it would be useful to disseminate it to TNC project promoters for use as a planning tool. At the same time the document was found an important additional contribution to improve the understanding of the definition of the Common Action.

The discussion established that each Common Action requires to some extent certain types of local action, which – consequently – involve the generation of local costs. Participants therefore recommended a further revision, introducing a distinction between Common Costs and project-related local costs (the table effectively showing now in section 3.2 above).

Bringing up though the specific aspect of local action and local costs generated by a Common Action revealed that the issue of different eligibility interpretations also roots in the fact that Member State authorities apply a different concept as to what the Common Action comprises of in terms of activities. Two basic, but distinct, concepts materialised as currently being applied:

- The whole TNC project and its implementing activities constitute the Common Action: costs generated by any project activity are considered eligible common costs.
- Only those activities of the TNC project that jointly involve partners are considered part of the Common Action: only costs generated by those joint activities are eligible common costs under Measure 421 (Cooperation).



The established status quo with divergent eligibility interpretations limits the autonomy of TNC project holders to define the project implementation. There are situations where they have no other choice than to opt for actions that are separable into self-contained undertakings or overhead projects (indivisible actions, cf. 2.4 above).

The representative of the *European Commission* commented during the third meeting of the Focus Group that Article 39 of Regulation (EC) No 1974/2006¹⁵ refers to 'expenditures for the joint action' (Common Action) in its global sense; it has to be differentiated from the costs resulting from this joint action (common expenditure or individual expenditure). This definition offers flexibility, as it is considered sufficient for the activity supported to be of benefit to the local areas concerned by the cost (cf. footnote 6 above).

¹⁵ Article 39 .3 of Regulation n°1974/2006 stipulates: Cooperation shall include the implementation of a joint action. Only expenditure for the joint action, for running any common structures and for preparatory technical support shall be eligible for support under Article 65 of Regulation (EC) No 1698/2005. Expenditure on animation may be eligible in all the areas concerned by the cooperation.

4 Key areas for Cooperation projects

4.1 Support to project ideas generation

The survey's third ambition was to overcome a shortage of ideas for TNC projects, an issue rural actors with little or no previous TNC experience reportedly face (cf. previous FG3 report). Respondents to the survey have provided information about the thematic areas they consider to be usefully addressed by means of TNC projects in order to overcome specific local development challenges.

Following a suggestion made by the Austrian Focus Group representative these 'TNC themes' have been clustered into four types. The rationale behind this cluster typology is the necessity to raise awareness among those interested but inexperienced that, depending on the specific aspects of a given theme, the preparation of a TNC project may require different support intensity to progress from the original idea to the implementation stage.

According to this understanding, genuine cross-border / transnational themes and target group-oriented themes (projects with a specialist focus) are of low support intensity, as the rural actors involved 'know what they want'. On the other hand experience shows that project ideas falling under the two other types of project ideas (area and non-area specific) usually do require high intensity support - not only by LAG managers, but very often also 'top-down' via the Network Support Unit or the Managing Authority. This may take different forms of specific technical preparatory support, the organisation of exchange visits / meeting programmes, targeted funding of preparatory actions, or other.

4.2 Examples of areas frequently addressed by Cooperation (cluster typology)

(A) Genuine cross-border / transnational themes
Historical/natural/cultural heritage; e.g.: educational activities, excursions, documenting the folk culture, architecture, street theatre, training workshops and spectacles, traditional folk music training camps and concerts, craft exhibitions, activities improving the quality of life
Cross-border trails and routes
Leader & cooperation know-how-exchange
(B) Non-area-specific themes (applicable in any EU MS)
Entrepreneurship; e.g.: rural economic circles, entrepreneur workshops/networking
Tourism; e.g.: village / rural / environmental eno – tourism and other related themes
Regional/local products and marketing; e.g.: traditional products, food networks
Youth projects; e.g.: rural depopulation, training of and joint movie production, sharing 4-H information
Demographic change; e.g.: social cohesion and employment
Local service offer/supply; e.g.: mobility, health services, broadband, health systems, governance/services improving the quality of life
Environment; e.g.: environment and sustainable development, territorial management
Energy; e.g.: renewable energy

(C) Area-specific themes (linked to geography/territory)
Alpine tourism
Forestry
Maritime heritage; e.g.: sailing training, sailing boat construction
Lake fishing
Territorial marketing
(D) Target group-oriented themes (specialist focus)
Cooperation among companies of same branch; e.g.: diversification in non-agricultural activities
Specific farming themes; e.g.: agricultural diversification

4.3 Findings of the FG3 meeting

Participants welcomed the result of this exercise, characterising it as a possible new tool inspiring Cooperation.

However, areas that may be considered 'key' differ from one LAG to another. It was therefore agreed to re-baptise the themes cluster 'examples of areas frequently addressed by Cooperation'.

5 Conclusions

5.1 Overcoming bottlenecks and identifying future issues

In preparation for the Leader subcommittee meeting on 12 November 2010 the Focus Group discussed how to capitalise its findings to date and made proposals for the future.

Participants highlighted the need to disseminate its findings to the wider community of rural actors interested in Cooperation. Moreover, the point was made that Cooperation is picking up and that new bottlenecks are almost certain to arise.

5.2 Capitalisation of FG3 findings

A draft document suggesting the use of existing EN RD dissemination tools to share among rural actors across the European Network the information gathered over the past months was reviewed and agreed to with no further comments.

The four dissemination channel types proposed for the different FG3 outputs, comprise of reports, guidance materials, presentations and publications. The document providing full details concerning specific outputs, dissemination tools and associated target groups can be consulted in Annex 1 of the present report.

5.3 Continuing support to the implementation of the Cooperation measure

FG3 participants expressed their concern that many of the issues discussed so far relate to preparatory actions or the preparation of project applications. Now that more and more applications obtain approval and hence reach project implementation stage, new issues requiring new solutions are expected to materialise.

The Focus Group therefore would find it useful to continue its 'three-lateral' work as an active cell. In other words, FG3 participants operate ongoing Member State-level screening to identify rural actors who will report new issues, which have arisen in the context of the implementation of the Cooperation measure, to all Members States via the Leader subcommittee. Thus FG3 will be in the position to provide a 'helping hand', gathering information and possible solutions to stakeholders, bottom-up from practitioner to EU rural policy level.

Additional benefit was envisaged from this modus operandi, which generates the possibility to provide relevant contributions to the ongoing preparations for the next programming period. In this spirit, the collective of FG3 and its co-chair offered to provide advisory input to DG AGRI of the European Commission, aiming at simplified implementation of the Cooperation measure in the future.

Annex 1

Lsc FG3 findings – suggested use of dissemination tools

FG3 output	EN RD Dissemination Tool	Main target groups
FG3 reports (May & Nov 2010)	<ul style="list-style-type: none"> Public website <i>(Link: Events_Lsc)</i> Rur@I news News-reel 	<ul style="list-style-type: none"> MAs/PAs NRNs RD organisations EU / national policy makers
FG3 guidance material: 'examples'	<ul style="list-style-type: none"> Public website <i>(Link: Policy_Leader)</i> News-reel 	<ul style="list-style-type: none"> LAGs and TNC project managers MAs/PAs NRNs RD organisations
FG3 guidance material: 'case briefs'	<ul style="list-style-type: none"> Public website <i>(Link: Policy_Leader_TNC Guide)</i> News-reel 	<ul style="list-style-type: none"> LAGs and TNC project managers MAs/PAs NRNs RD organisations
FG3 Presentation	<ul style="list-style-type: none"> New LAGs event Public website <i>(Link: Events_EN RD Seminars)</i> Rur@I news News-reel 	<ul style="list-style-type: none"> As defined for new LAGs event
FG3 contribution to a Leader / TNC brochure (electronic and printed version) – TO BE CONFIRMED	<ul style="list-style-type: none"> New LAGs event Public website <i>(Link: Library_EN RD Publications)</i> EN RD Mailing list Rur@I news News reel 	<ul style="list-style-type: none"> General public Media LAGs and TNC project managers MAs/PAs NRNs RD organisations EU / national policy makers

¹⁶ Three types identified by FG3 survey synthesis: process-; result-; expenditure-type orientation. Suggested for consideration as part of the review of the Guide for the Implementation of the Measure Cooperation under the Leader Axis of Rural Development Programmes 2007-2013 (RD12/10/2006 rev3)

¹⁷ Four types identified by FG3 survey synthesis: genuine cross-border / transnational themes; non-area-specific themes; area-specific themes; target group-oriented themes. Suggested for introduction (regularly updated) to TNC Guide toolkit.

¹⁸ As identified by FG3 survey synthesis, in the version reviewed by FG3 meeting participants. Suggested for introduction (regularly updated) to TNC Guide toolkit.

¹⁹ Case briefing held at FG3 meeting & enlarged Lsc meeting, mapping a practical approach to common costs: Ihana case (LAG 'Karhuseutu', Finland).

Annex 2

FG3 Mini-Survey: Main findings

Summary presentation

Held and discussed at third FG3 meeting, EN RD Contact Point, Brussels, 11 November 2010



FG3 Mini-Survey: Main findings

Third FG3 meeting, Brussels, 11/11/2010





Cooperation bottlenecks root in limited experience

FG3 report, May 2010

Mini-survey objective:

Improve the availability of relevant information, in order to progress 3 previous FG3 suggestions:

- *Collect national definitions of joint action*
- *Improve info base about eligible common costs*
- *Collect key area examples to inspire & activate the Cooperation process*



Connecting Rural Europe

2



FG3 Mini-Survey findings

October 2010

Reminder:

Mini-survey = more information ≠ representative!

- *Overall survey response rate 33% of MS represented in FG3*
- *Response rate among new FG3 participants: 40%*
- *Also considered: earlier (pre-survey) contributions*

-> FG3 can 'catch' issues & offer solutions for wider debate and follow up at EN RD level



Connecting Rural Europe



FG3 Mini-Survey findings

Definition of the Joint Action

Responses suggested three types of definition:

- **process-oriented** - e.g. joint planning, executing, human resourcing and financing
- **result-oriented** - e.g. get to know & share info of common interest, economic added value
- **expenditure-type oriented** - e.g. cost committed in the frame of joint (genuine) cooperation projects or basic basic cooperation projects



Connecting Rural Europe



FG3 Mini-Survey findings

Categories of eligible Common Costs

Responses led to a list of 15 costs frequently considered eligible, among them the 'Top 5':

- Seminars & workshops
- Travel & accomodation
- External consultants, experts, additional staff, coaching
- Project information & communication
- Project meetings

Launch of knowledge exchange and practical case review

- Project 'Ihana', example of LAG approach to common costs



Connecting Rural Europe



FG3 Mini-Survey findings

Key Areas for Cooperation

Survey responses suggested cluster typology & key areas:

- **Genuine cross-border/transnational themes**, among them most importantly historical/natural/cultural heritage projects
- **Non-area-specific themes**, among them most frequently projects concerning: youth; regional/local products and marketing; tourism
- **Area-specific themes**, among them most importantly maritime heritage
- **Target group-oriented themes**, e.g. farming and same branch company cooperation



Connecting Rural Europe



FG3 Mini-Survey findings

Follow-up

During today's FG3 meeting:

- Discussion: survey issue by survey issue
- Practical case review: approach to common costs
- Discussion: how to share info gathered across EN RD



Connecting Rural Europe

Annex 3

Ihana 'Case Brief'

Mapping a practical approach to Common Costs

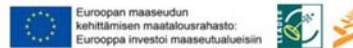
Held and discussed at third FG3 meeting, EN RD Contact Point, Brussels, 11 November 2010



Case Ihana

Sailing training and maritime heritage project on the Baltic Sea

Karhuseutu LAG, Finland (lead partner)
Hiiumaa LAG, Estonia
Bornholm LAG, Denmark
Udvikling Nordvestsjælland LAG, Denmark

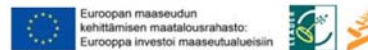


Objectives (based on the TNC agreement)

- 1) Keeping the maritime heritage alive and visible
- 2) Raising awareness of marine environment
- 3) Networking partners; crews, boat builders and youngsters inside of the Baltic sea area
- 4) Exchange of knowhow in building, restoring, sailing and maritime heritage

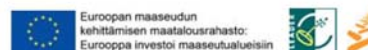
With the aid of this project

- a.) the public of the LAG partners' areas will receive information on sailing on traditional ships during the open days, by brochures, by webcams and by internet
- b.) the people of the areas, especially young people will be trained during training trips at sea,
- c.) during the field trips at the docks the shipbuilders from Hiiumaa and Denmark will learn to build traditional sailing ships and
- d.) Bornholms Traebådelaug will build a replica of a bornholmian decked fishing boat from 1867.



Steps taken

Nov 2007	Study trip to Hiiumaa, Estonia – local ship building traditions (supported by the Karhuseutu LAG TNC Coordination Project)
Feb 2008	Study trip to Bornholm, Denmark – local ship building traditions
Jul 2008	Hosting partners in Finland – local ship building traditions
Mar 2009	Partnership negotiation, Lapland TNC seminar, Finland
Oct 2009	Hosting partnership negotiation on Karhuseutu LAG area
Dec 2009	Local application submitted to Karhuseutu LAG
Feb 2010	The application approved by the Karhuseutu LAG Board
Mar 2010	Other 3 local applications approved by the 3 LAG Boards
Jun 2010	Implementation starts at own risk
Aug 2010	Legal funding decision given to Karhuseutu project





Some of the common actions

Marketing

1. Brochures

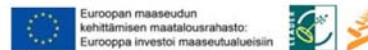
LAG North West Zealand will produce the brochure in English. The brochure includes at least information about a.) the partners, b.) the traditional harbors and docks of the partners and c.) the tradition of sailing ships at Baltic Sea.

2. Websites

LAG Hiiumaa will produce the common websites in English and links the partners' websites on it.

3. Webcameras

Webcameras in the LAG areas of Karhuseutu, North West Zealand and Bornholm. Web camera doesn't include in the LAG Hiiumaa budget. Via cameras public and partners all over the world can follow the building, and all the other activities in harbor area, the departures and arrivals of the ships.



Sailing training

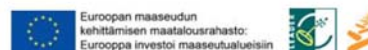
1st sailing

First sailing training is in July 2010 Helsinki-Hiiumaa- Laitakari- Hiiumaa-Helsinki by a traditional sailing ship. The duration of sailing is 10 days. Participation of Karhuseutu is 10 persons during the whole trip. Participation of Hiiumaa is 10 persons from Hiiumaa via Laitakari to Hiiumaa. The sailing is financed by LAG Karhuseutu and by LAG Hiiumaa. The finance by LAG Karhuseutu is not more than 4.000 eur and by LAG Hiiumaa not more than 3.000 eur.

2nd sailing

Second sailing will be with a traditional sailing boat on August 2010 in Denmark from Bornholm to Sjælland Odde/ North West Zealand and back. The duration of sailing is 10 days. Participation of Bornholm is about 8 persons. It is financed by Bornholm partner.

(+ 4 other sailings)



Common costs – service provider sends separate invoices straight to the partners based on the pre-agreement

The partners have agreed, that the decided brochures are made and distributed by LAG Zealand and paid by LAG Karhuseutu 1.000 euro, LAG Bornholm 1.000 euro, LAG Nord West Zealand 500 euro (and the work to plan and to collect the material) and LAG Hiiumaa 500 euro.

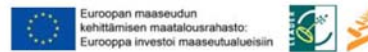
Partners deal with specified tasks directly

Virtual Game will be planned and produced in LAG Karhuseutu. It will appear in the website.

The websites will be produced and updated by LAG Hiiumaa.

There are costs shared in training sailings as stated above.

Every partner will buy and pay their own webcam.



Mapping the case: the types of TNC project costs

1. **Individual costs (e.g. travel costs, the specified project tasks) (lhana-case)**
2. Pre-agreed common costs (e.g. sailship rents)
 - a) **separate invoicing by the service provider directly to each partner area (lhana-case)**
 - b) single invoicing to one partner area only which then has to divide and invoice the other partners
3. "Emerged" common costs during the implementation (e.g. administration costs of the lead partner)



GRANT BENEFICIARIES (contact: jaana.malkki@karhuseutu.fi)

The final beneficiaries/ project implementers of the grant are

LAG Karhuseutu: Traditional Ship Association of Ihana

LAG Hiiumaa: MTÜ Halulaev

LAG Nord West Zealans: Odden Træskibslaug

LAG Bornholm: Bornholms Træbådelaug

