



Running costs of LAGs – calculation method

Karolina JASINSKA-MÜHLECK
AGRI H1
RDC, 16 July 2014

DG Agriculture and Rural Development
European Commission

Fixing the running costs threshold – legal bases

- Art. 38(1) of R. 1974/2006:

Running costs of LAGs as referred to in Art. 63(c) of R. 1698/2005 shall be eligible for Community support within a limit of 20% of the total public expenditure of the **local development strategy**.

- Art. 63 of R. 1698/2005:

(...) The support granted under the Leader axis shall be for:

- (a) implementing local development strategies as referred to in Art. 62(1)(a) (...);
- (b) Implementing cooperation projects involving the objectives selected under point (a);
- (c) Running the LAG, acquiring skills and animating the territory (...).

Expenditure of the LDS: what operations are behind?

- Strict approach:
 - limited to operations referred to as "LDS" under art. 63(a) R. 1698/05
 - entails that only expenditure linked to sub-m. 411, 412, 413 taken as basis for calculation
- Broader interpretation:
 - LDS = range of operations carried out by a LAG and implemented through a pre-allocated budget on local level
 - amounts linked to (sub-)m. 411, 412, 413 + 421 + 431
- The wider interpretation considered acceptable

RC and animation in CLLD (2014-2020)

- Legal basis in Art. 35(2) R. 1303/2013

Support for running costs and animation as referred to in point (d) and (e) of para 1 shall not exceed 25% of the total public expenditure incurred within the community-led local development strategy.

- CLLD guidance for MA:
 - RC and animation are directly linked to the implementation of the strategy
 - running costs and animation included in the base for the calculation
 - only preparatory support excluded
 - at the end of the implementation phase the share of the running and animation costs (Article 35(1)(d) and 35(1)(e) CPR) incurred for a LDS should not exceed 25% of the sum of the costs incurred under Articles 35(1) (b), (c), (d) and (e) CPR.