



Working group “Umbrella Projects under in LEADER“

– Results of the meeting on 28. January 2016 in Mainz, Germany -

1. Preconditions for the approval of Umbrella Projects

Conditions for the eligibility of Umbrella Projects:

- “Beneficiary” in the meaning of Art. 2 (10) Reg. (EU) No 1303/2013 is always the LAG.
- The Umbrella approach has to be declared as admissible in the RDP.
- In addition, the possibility of implementing Umbrella Projects has to be specified, either within the RDP and/or in national regulations or guidelines.
- In the Local Development Strategy of the LAGs it has to be referred to the usage of that option to implement Umbrella Projects.
- The maximum amount of total support to one Umbrella Project, and – if possible – also the maximum amount of support to one sub-project, have to be defined within the RDP or in national regulations/guidelines or in the Local Development Strategy of the LAG.
- Purpose and objective(s) of the Umbrella-Projects have to be sufficiently defined. Therefore, a[n Umbrella] project has to be assigned to a certain topic, to be defined at the point of project submission. The initiation of an Umbrella Project can also occur “ex-post” through bunching of project proposals, which have been brought forward/expressed to the LAG.
- The submitted Umbrella Project is approved by an authorising body as operation in the meaning of Art. 2 (9) Reg. (EU) No 1303/2013.
Attention: At this point variations are possible in those member states where the LAGs have been authorised to approve projects (see CLLD Guidance Document for local actors, Page 43, Decentralised Model of delivery).
- When applying for an Umbrella Project – if not already defined in the Local Development Strategy – the process of selecting sub-projects¹ has to be described. Art. 34, Para. 3 (d), Reg. EU No 1303/2013 is also to be applied for the selection of sub-projects.
- When applying for an Umbrella Project or in the Local Development Strategy, it has also to be laid down, how through an agreement between LAG and local actors it is assured that the sub-project¹ to be implemented and the support through the LAG are sufficiently described.

¹ In the meaning of Art. 2 (9), Reg. (EU) No. 1303/2013 is an Umbrella Project an operation of the LAG.



2. Implementation of sub-projects:

- Request/Expression of interest including a project description by the potential promoter of a sub-project to the LAG; if applicable that request might be a result of a call launched by the LAG. The LAG itself is not promoter of a sub-project.
- Acceptance or rejection of the project proposal by the LAG according to applicable selection criteria; in the case of an ongoing submission- and selection process minimum criteria for the approval of sub-projects have been defined.
- Establishment of an agreement between LAG and promoter of the sub-project concerning the kind/nature of the sub-project as well as all additional requirements and information to be held.
- If delegated according to Art. 60 (2), Reg. (EU) No. 809/2014 LAGs can perform the control function themselves. The check of the reasonableness of costs of sub-projects shall be conducted on the basis of a simplified procedure (Estimation of costs, e.g. by referring to standard hourly rates) whenever possible.
- Confirmation of the implementation of the sub-project by its promoter (which allows a check of plausibility/reasonableness of costs by the LAG in a proper form).
- Payment to the promoter of the sub-project¹ by the LAG for the output/service agreed upon.

3. Formal payment claim to the authorizing body

- Check of the agreements between LAG and promoters of the sub-projects and of the confirmation of the implementation of the sub-projects.
- Check of the accounted expenses *of the LAG* for the sub-projects¹ including the check of the check of plausibility/reasonableness of costs conducted by the LAG.
- Payment to the LAG by the member state.
- Refinancing through the EU.

4. Assessment of the handling of support to Umbrella Projects by the working group; Advantages and Disadvantages

- The LAG itself can – after approval of the Umbrella Project – initiate and allow/permit timely sub-projects without involvement of the authorizing body.
- Promoters of sub-projects are disburdened with regard to the effort for preparing an application.
- Increase of the acceptance for the partner-like CLLD-approach among local actors.



- The LAG is project promoter and beneficiary and carries the overall risk for the project and the sub-projects (Added burden and higher/more responsibility for the LAG management).
- If at all, limited disburdening of the authorizing bodies.
- Application of SCO because of the heterogeneity of the sub-projects difficult.

5. Need for interpretation by the Commission

- **Clarification**, that the reasonableness (Art. 48 (2) (e), Reg. (EU) No 809/2014) of the estimated/budgeted costs at the level of the „Umbrella Project“ is confirmed either through the fact that the managing authority has defined this in the RDP, or – impliedly – through the approval of a respective application by the LAG with a maximum amount on the basis of national regulations or the approved Local Development Strategy of the LAG.

At this level, at the stage of application and approval of the costs for the Umbrella Project, this is not linked to concrete actions. The common procedures for checking the reasonableness of costs (comparison of offers, reference costs etc.) cannot be applied at this point, because the sub-projects are not sufficiently defined yet. Therefore, the approval has to be flanked/accompanied by specifications regarding the maximum level of support at the level of sub-projects, a certain narrowing/definition of the factual scope of application of Umbrella Projects as well as by the requirement for a formal agreement with reference to costs between the LAG as beneficiary of the Umbrella Project and the promoter of the sub-project.

- **Confirmation**, that for sub-projects with certain, not-marketable outputs/services the „valorisation“ of such a sub-project by the decision-making body of the LAG corresponds/equates to the decision of an evaluation committee in the meaning of the guidelines to Art. 62, Reg. (EU) No 1305/2013 (Verifiability and Controllability) No. 4.1.
There will be sub-projects, where not-marketable outputs/services without evidence of costs should receive financial support within the frame of an Umbrella Project. (The classic example: Prizes within a competition for ideas); decisive in such cases is the „valorisation“ of those outputs/services by the provider of the support, the LAG.
- **Confirmation**, that the agreement of the LAG with the promoters of the sub-projects as well as their reports of implementation are comparable with the records/receipts in the meaning of the provision for controls; it is referred to Section 4.3.2 of the guidance document for controls and sanctions.