

Contracting and Financing Mechanisms

TAIEX Multi Country Workshop on LEADER
Danilovgrad, Montenegro 27th April 2011



Connecting Rural Europe

Topics of the presentation

- The co-financing system – An introduction
- Basic models of contracting and financing
- Project application process
- Financial flows
- Controlling
- Success factors



Overall principle

As less bureaucracy as possible,
and as much control as necessary!



Co-financing system

- Principle of additionality
- Specific national/regional co-financing sources
- Coherent co-financing rules reg. EARDF and regional/national sources
- Division of responsibility: approving/certifying authority and paying agency
- Total public funding comes from paying agency



Co-financing system

- Project holder must pre-finance 100% of costs
- 100% check of documents (invoices, bank statements, reports)
- Interim billing possible
- Payment claiming standardized process



Two models for certifying the expenditure and paying the final beneficiary (project holder)

Global grant system: LAG is responsible for certifying and paying the final beneficiary

Centralised model: LAG passes recommendation to authorities

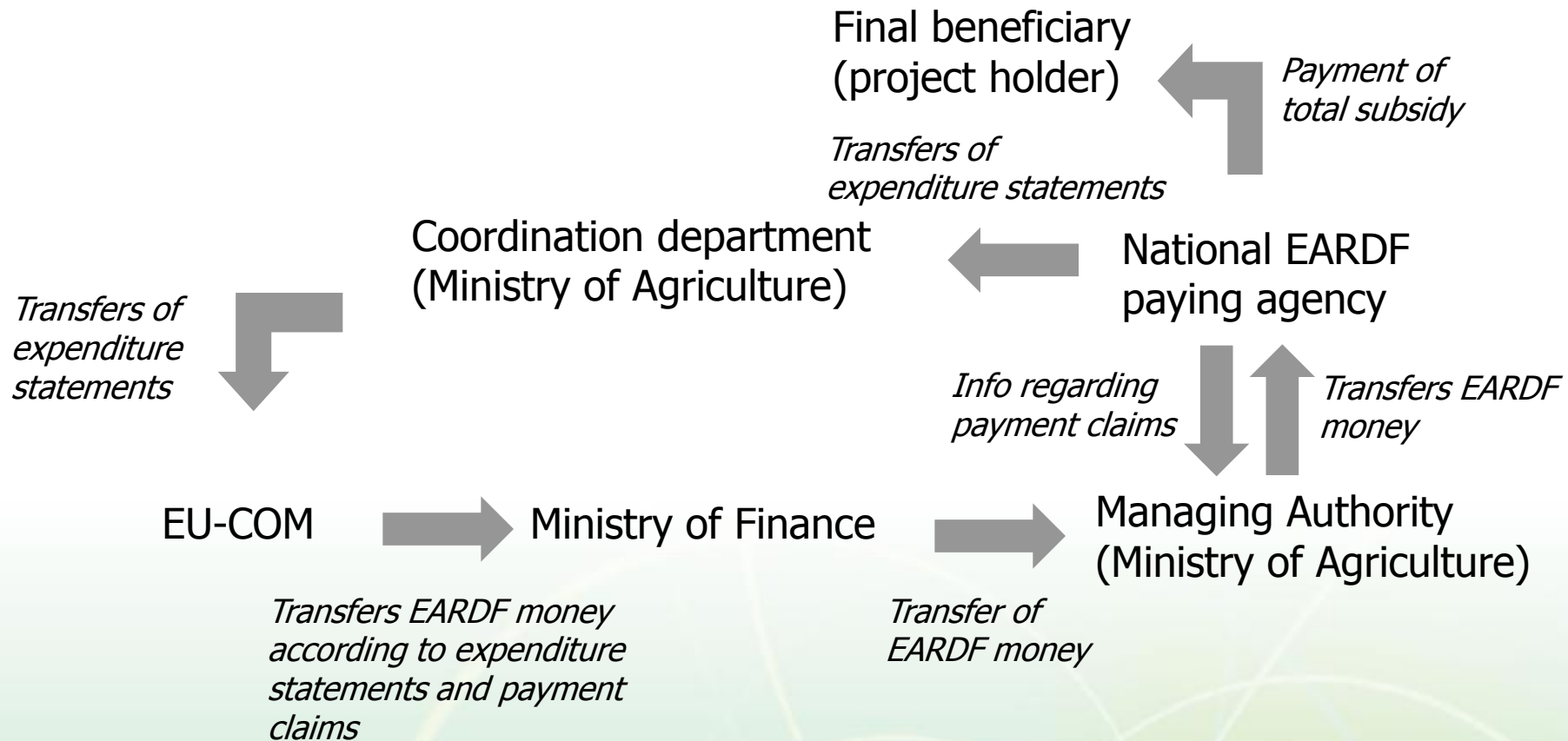


Project application process

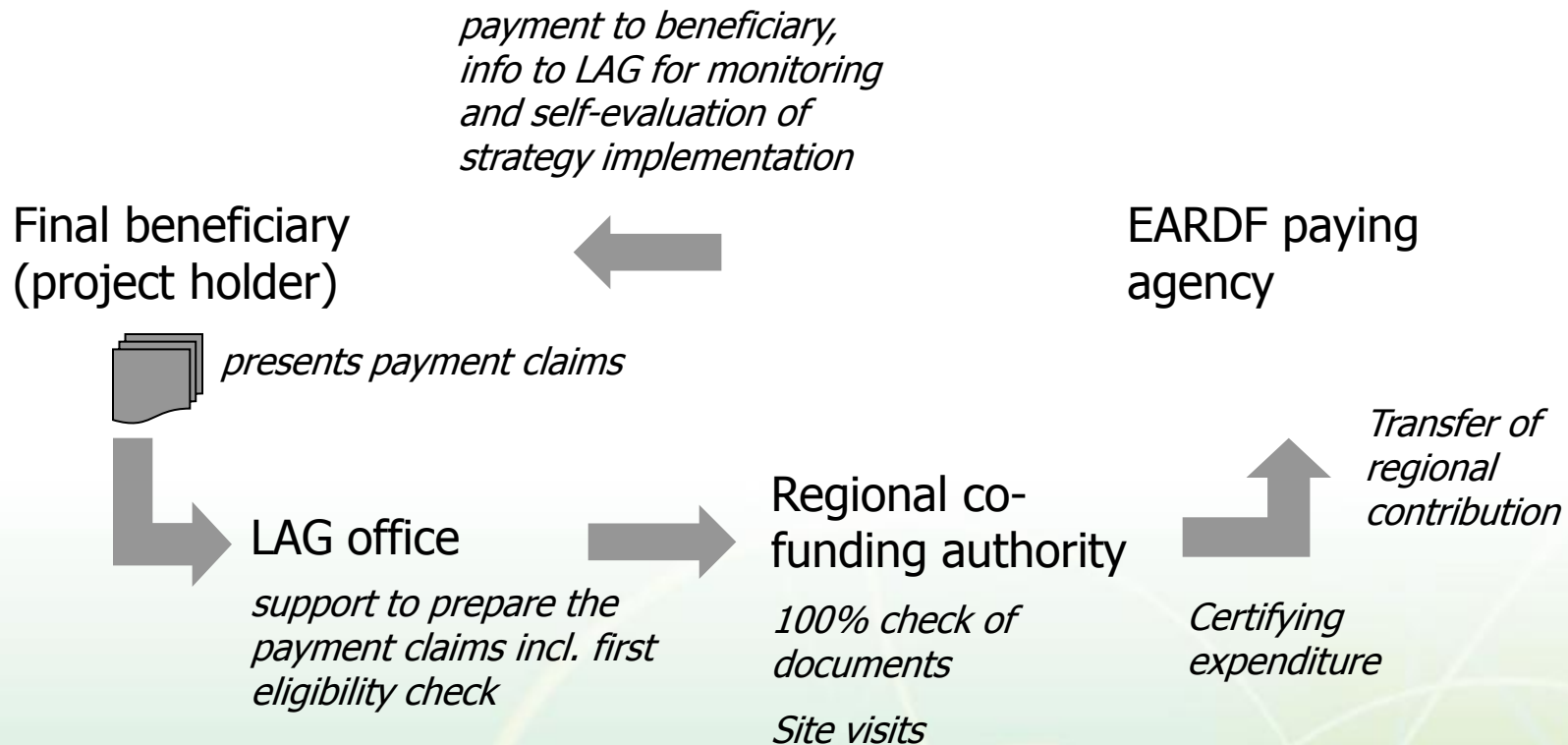
- Project applicant seeks advice from LAG management
- LAG management makes pre-check with authorities
- LAG board checks strategy coherence and passes a recommendation
- Project applicant presents application forms to authorities
- Eligibility check and decision making by authorities
- Authorities closes co-funding contract with project holder



Financial flow



Financial flow



Controlling system

- Advise by LAG management
- 100% check of documents
- Site visits
- Financial control mechanism according to EU regulation



Success factors for sound implementation

- Advice from LAG management and authorities
- Treat final beneficiary as a customer
- Transparent process, fixed payment dates
- Safeguard planning security
- Well staffed authorities
- Safeguard liquidity at project-, LAG- and programme level.



Thank you very much!

**Günter Salchner, LAG Ausserfern
rea@allesausserfern.at**

0043 676 5926577

