

Observations on the amendment to the rural development programme of The Netherlands POP 3

The following observations are made pursuant to Article 30(2) of Regulation (EU) No 1303/2013. The Netherlands are asked to provide to the Commission any necessary additional information and, where appropriate, revise the amendment to the Rural Development Programme (RDP).

1. DETAILED DESCRIPTION OF THE AMENDMENT

(a) Description of the amendments under 1.1.5.3.:

Addition of a simplified Costs Option (SCO): Integral Cost system (IKS)

1. According to Art 67(3) CPR, simplified cost options may be combined only where each option covers different categories of costs or where they are used for different projects forming a part of an operation or for successive phases of an operations. In the notification, it is described that the Integral Cost System (IKS) will be applied as a simplified cost option (SCO) for dealing with the declaration of staff costs. However, it remains unclear how the above provision is complied with, given that the previous modification introduced other SCO for remuneration costs, the latter being in the form of a fixed surcharge for employers' contributions (43.5 %) pursuant to Article 67(1)(d) and a fixed surcharge for indirect costs (15 %) pursuant to Article 68 (1)(b). Could the Managing Authority (MA) provide some further clarifications on how these SCO can be used respecting the above provision and add further explanation under chapter 8.1. ?
2. In the description, the use of IKS system is referred to (larger) knowledge institutions. On the other hand it indicated that it can be applied to measures M1, M4 and M16. It is also understood that the IKS is applied in line with CPR Art. 67(5)(c), which requires that the SCO related to a certain operation, that is entirely funded by the MS, applies to the same type of operation and beneficiary. Due to the different nature of beneficiaries under M1, M4 and M16, the MA is asked to explain to which beneficiarries/type of operations of M1, M4 and M16 the IKS could be applicable .
3. None of the necessary textual changes, indicated as being changed, are reflected in the text of the PDR under the sections '*methodology for the calculation of amounts and support rates*' of respectively measure fiches M1, M4 and M16 as indicated in the notification. The MA is invited to correct these in the text of the PDR. In addition, under these latter sections, the RDP should indicate, for every SCO chosen, the concrete legal provision based on which the calculations are performed (and methodology). In the case of Art. 67(5)(a), reference to the statistical data or objective information used must be included in the programme. In the latter case, the

reference used to the previous notification (2015-1) is now lost in the current modification and would need to be added in the text of the RDP where relevant. Furthermore, the list of eligible costs for which SCO are intended to be used should be clearly established at the level of each relevant category of costs in each of the above measure fiches.

(b) Description of the amendments under 1.1.5.4:

Removal of type of operation 4.1.03. Garantie Fund for risky Innovations (GMI)

4. Financial plan: in the notification document describing the amendment, it is mentioned that the EAFRD budget is shifted from M4.1. to M13, and that the additional national financing for M13 is reduced. This is an error as M13 is not programmed in the Dutch RDP, it must be M17 (risk management), as understood from the text.
5. The removal of type of operation 4.1.03 (Financial instrument) implies also textual changes/adaptations to be made in other sections of the RDP, such as in chapter 8.1, and possibly in the chapter on Strategy, in particular section 5.2., where the choice of the type of operations under focus area 2A should reflect the above change. The MA is asked to verify and complete these necessary changes in the PDR.
6. Concerning the changes of the financial plan as a result of removing the type of operation 4.1.03, the MA is invited to describe more in detail in the notification document all the changes to the financial plan in chapter 10 and to the additional financing in chapter 12.
7. Equally concerning the changes in the indicator plan in chapter 11, the MA should provide details in the notification document on the quantitative change of this target indicator and to indicate to which target indicator it is referred to (i.e. T4: from 4.84 to 4.63%), as this information was missing. Furthermore, the MA is requested to justify why the target indicator T4 should be changed given the relative minor reduction in the budget of M4. A target indicator should normally only be changed in cases where there is a change in the strategy or when the total public envelope of the RDP changes.
8. The Commission would like to ask the MA more information on the motivation behind the decision to drop the Financial Instrument supported by the RDP. In particular, the MA is asked to explain to what extent the national scheme BL-procedure has now been simplified so as to offer better conditions as compared to the FI scheme under the EAFRD funds.