



The use of Simplified Cost Options (SCOs) in LEADER Finland

LEADER-expert Kaisa Eerola, Finnish Food Authority

LAG Manager Pia Poikonen, Leader Varsin Hyvä

Networking Expert Juha-Matti Markkola, NSU Finland

SCOs in Finland

- **SCOs used in RDP 2014-2022:**
 - Flat rate 15 %
 - Flat rate 24 %
 - Lump sum (draft budget with case by case analysis)
- **SCOs in new CAP-plan 2023-2027:**
 - Flat rate 19 %
 - Flat rate 40 %
 - Lump sum (draft budget with case by case analysis)
 - Preparation money for certain types of projects, eg. Smart village projects
 - standard lump sum, EUR 5000
 - Standard lump sum in business supports
 - About 10 different standard lump sums
 - A standard percentage for covering holiday pay, holiday compensation and employer's social security contributions
 - New flat rate model for LAGs running costs and animation
 - Preparatory money for LAGs for the period after 2023-2027

SCOs used in 2014-2022



Experiences of SCOs 2014-2022:

Flat rate:

- Very few problems
- It has been very popular, especially in bigger development projects

Lump Sum:

- Most lump sum projects were investments, because they are easy to verify
- Changes aren't possible in lump sum project, only the period of implementation of the project may be changed
- Lump sum approach needs a new way of thinking

Cost models used in projects 2014-2022

Cost model	Projects	%
Flat rate 15 %	362	3 %
Flat rate 24 %	1324	13 %
Lump sum	306	3 %
Actual Eligible costs - model	8582	81 %
Total	10574	100 %

SCOs in 2023-2027

Some points of SCOs in new CAP

- Standard percentage of 39 % is used in every project which includes salary costs
 - standard percentage covers holiday payments and employer's social security contributions
 - IT-system calculates this automatically
- Use of two SCO models in one project
 - It's possible to use the flat rate in estimating the costs in an application and lump sum in a payment.
 - Simplifies also granting of the support

- Most LEADER business supports are Lump Sums
 - About 10 different standardized Lump Sums e.g.:
 - business planning EUR 1,000
 - planning support for start-up or investment EUR 2,000
 - starting a part-time business EUR 5,000
 - starting a full-time business EUR 7,500
 - planning a purchase of a company EUR 2,500 or EUR 5,000
- Small-scale project model
 - Projects up to EUR 8,000 are always Lump Sums

Cost models used in applications, situation 2/2024

Cost model	Projects	%
Flat rate 19 %	138	5 %
Flat rate 40 %	96	4 %
Lump sum	1105	43 %
Actual Eligible costs - model	1203	47 %
Total	2542	100 %

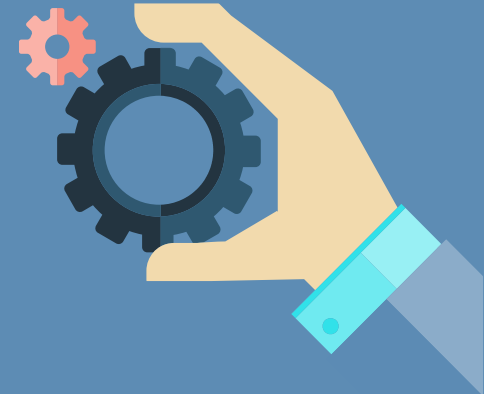
➤ Things to be happy about:

- The use of simplified cost models are easier to the beneficiary
- Small business supports have been very popular
- Small scale project model is highly anticipated and will soon be available

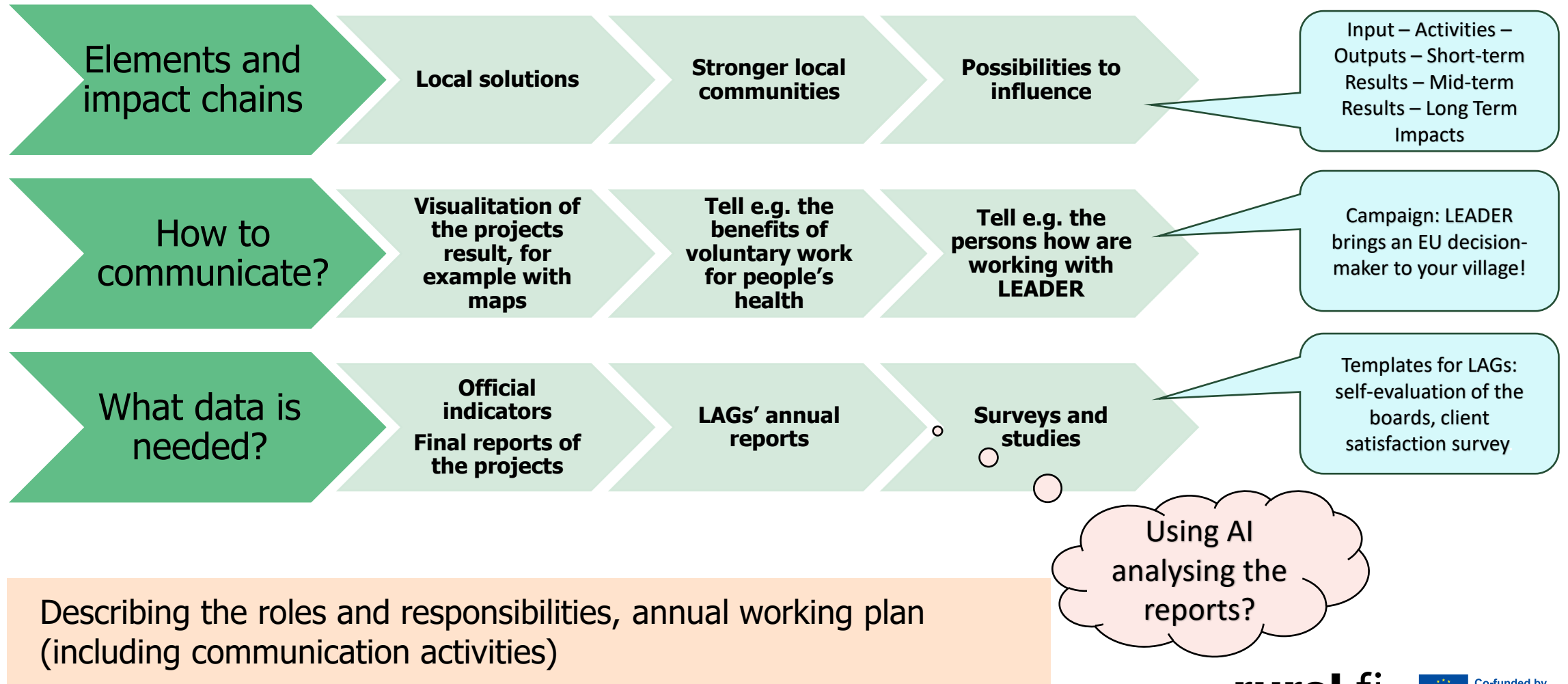
➤ Concerns:

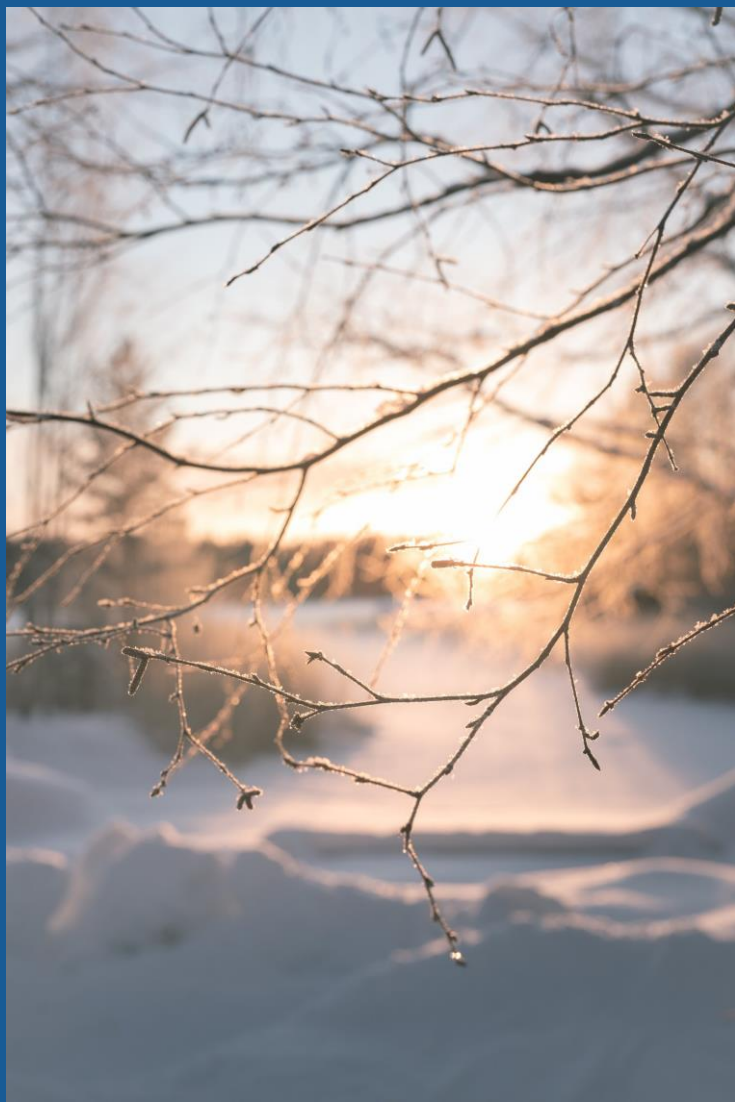
- The regulations and the processes are the same for small and big projects – too much administrative burden
- Many types of supports and cost models complicate the implementation - simple procedures for applicants demand a lot of planning in administration.
- SCO approach needs a new way of thinking and more guidance in the beginning.

Demonstrating the Added Value of LEADER



Demonstrating the added-value of LEADER in Finland



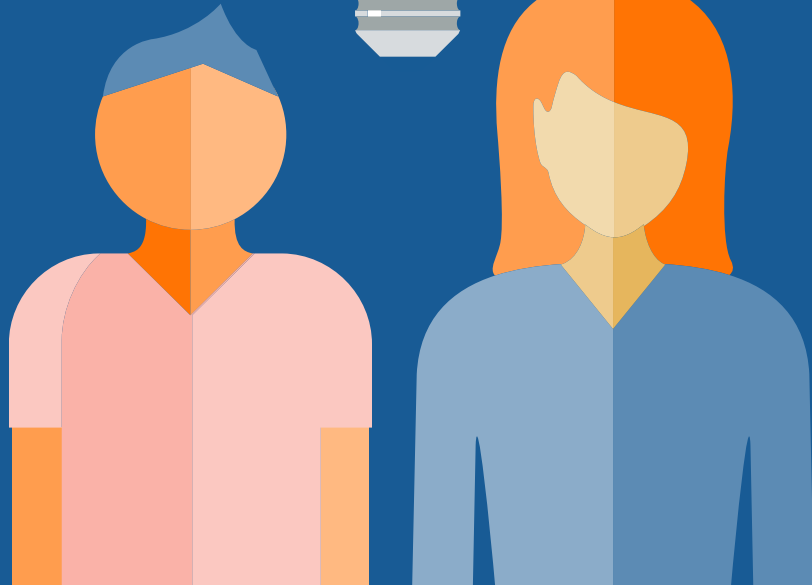


Thank you!

kaisa.eerola@ruokavirasto.fi

pia.poikonen@varsinhyva.fi

juha-matti.markkola@maaseutu.fi



rural·fi



Co-funded by
the European Union