

INTERFIN

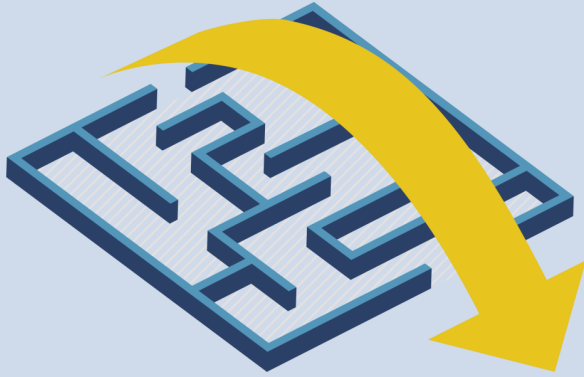
# Interreg SCO's kitchen

Grzegorz Golda, Jasmina Lukic | Interact | 13.05.2023

**Interact**

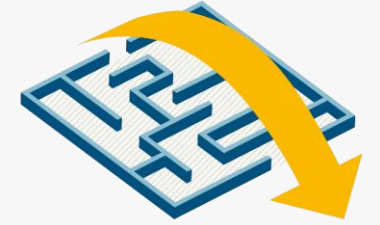


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Interreg



# News and updates





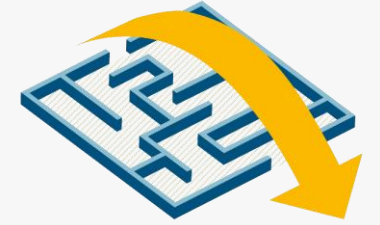
# EU Publications

Guidelines on the use of SCOs  
+update on audit of T&A costs  
reimbursed based on a flat rate  
(24 March 2025)

Study on the uptake of SCOs  
and FNLC for CPR funds  
(2014-2020 & 2021-2027)

No more real costs ESF+

- Position paper
- Road map



# Interact Publications - updates

Verification of SCOs – practical  
implications of SCOs on control  
work

HIT Factsheets – eligibility

Eligibility matrix of costs

# News from the Regio TN on Simplification – SCO audit findings

## Example 2 – SCO based on historical data

- Unit cost per participant assisted to find a job (job insertion itineraries)
- Methodology established based on historical data for 3 years
- Data for one of the year refer to costs for employment services, while data for the other years refer specifically to job insertion services
- Persons serviced multiple times in the past projects; variability of costs not considered for the calculations



Finding: Risk of unit cost being influenced by costs not linked to the costs covered by the SCO and persons serviced twice

# News from the Regio TN on Simplification – SCO audit findings

## Example 5 – Verification of SCOs

- SCO for vocational trainings
- Established based on a study carried out by a university
- No information provided on the source of data
- Methodology not checked by the AA as the SCO is calculated by the university

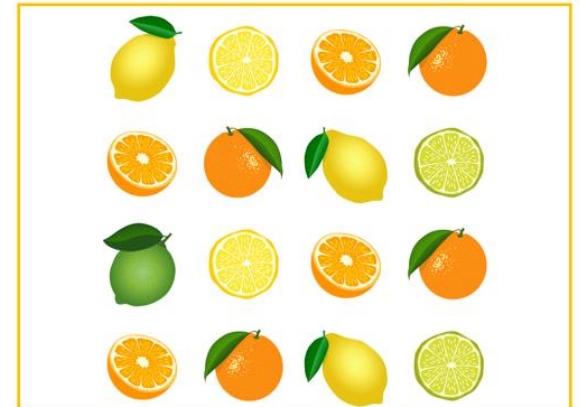


Finding: AA to check the reliability of data



## Example 6: Different flat rates applied

- Indirect costs: off the shelf flat rate (art 54a CPR: up to 7% of direct costs)
- Grant agreement: up to 0,76% of the direct cost.
- Costs to be estimated by the applicant on the basis of a fair, reliable and verifiable calculation
- Beneficiary declared respectively: 0,76%, 0,75%, 0,64% and 0,57% x direct costs



Finding: SCO not established in advance, methodology not compliant with CPR provisions. See QA00246

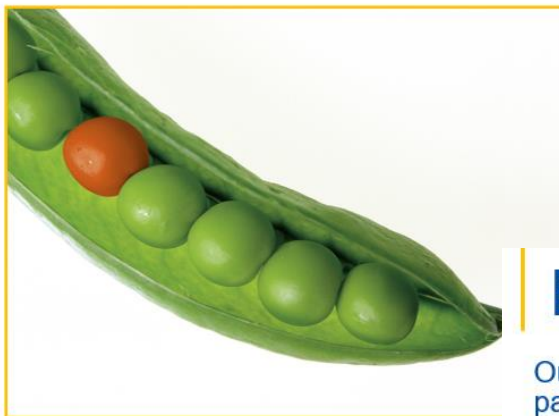




# News from the Regio TN on Simplification – SCO audit findings

## Example 7: Application of unit costs

- SCO methodology establishing unit costs per assisted persons for job insertion
- Unit cost of 1 600 EUR for vulnerable persons
- Unit cost of 1 500 EUR for vulnerable young people (16-30 years old)
- Declared unit cost for vulnerable persons of 1 600 EUR for all participants, irrespective of their age



Finding: Wrong application. Amount for persons with age between 16-30 years old recalculated



## Example 9: Adjustment method

Output: Unit cost per hour per attending participant

Eligibility: at least 75% in person attendance.  
Persons not attending because of finding a job eligible if at least 25% attendance ensured

Result: unit cost per qualified participant = 20% of the grant / 10

Cost categories covered: teaching costs, rent, insurance, travel and accommodation, media costs, catering etc.

Adjustment method: inflation, national education index, rental housing index, catering services index etc. , as published by the office for national statistics



Finding: Errors in the indexes used for adjusting the unit costs

# News from the Regio TN on Simplification – SCO audit findings

To conclude...

Recommendations on a  
case-by-case basis  
Financial impact  
depending on  
irregularities



Findings can be without financial  
corrections, if EU budget not affected

Findings/need for clarifications  
can be avoided by simple and  
clear design



# News from the Regio TN on Simplification – Draft budget experiences

## Lessons learned

- Invest time in preventing potential issues
- Regular trainings and updated guidelines help maintain compliance and reduce financial risks associated with incorrect implementation



## Use of draft budgets

### Types of projects: Some examples

- Feasibility & other studies
- Small (preparational) research projects
- Preparation of international projects / cooperation networks
- New operating models, pilots / demonstrations
- SME Internationalization study & participation in fairs

### **Calls for proposals by IBs:**

- Decision whether lump sums are used within the call (as an option/the only option)
- Detailed criteria
- Allows trying / testing a new idea on a small scale before a wider project or standardization

## Use of draft budgets

### Experiences, recommendations and thoughts for the future

- Lump sum with a draft budget **suitable for many kinds of projects** as long as the outcome is clear > *no real need for specific budgetary limits (art. 53(2&3b) CPR)*
- However, in practice 1720 h + FR 40 % has become a very popular choice, and therefore the use of lump sums and standardized lump sums has been lower than expected > *need for own calls for proposals for lump sums?*
- Challenges in business aid projects:
  - the phase of financial decision making is difficult and making a draft budget is burdensome
  - aid amounts are too small compared to the work load

➤ *Standardized lump sums could be a step towards **result-based approach / approach for small projects / FNLC implementation in the national level** (as the lump sum model in the IT system is simple)*



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Innovation and skills in Finland 2021–2027



Työ- ja elinkeinoministeriö  
Arbets- och näringsministeriet



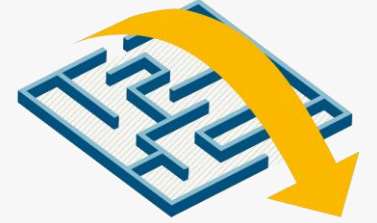
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Innovation and skills in Finland 2021–2027

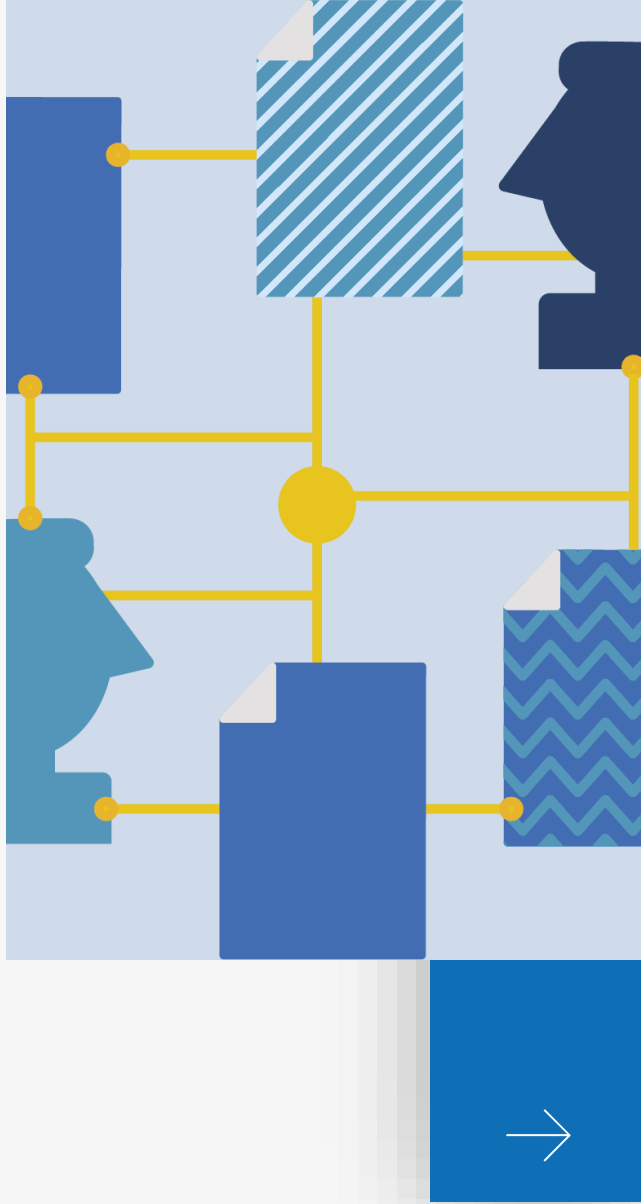


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Arbets- och näringsministeriet

# What we are working on:



- **SCOs cases collection;**
- **Publication – Eligibility and SCOs, compilation from Regiowiki (June 2025);**
- **Publication - draft budget –update implementation;**
- **SCO event (September 2025);**
- **SCOs and Interact Academy;**
- **Post 2027 – SCOs and P-BA.**



# New tools/ community

# Teams and channels

## Teams and channels



Financial management network

Accounting function

Announcements and updates

Eligibility of expenditure

Financial Management

Investments in Interreg

SCOs in Interreg

State aid



SCOs in Interreg

Posts

Files

Notes

Go to the SharePoint ...



**Welcome to the SCOs in Interreg channel**

Let's start the conversation.

 Start a post

# SharePoint

## Financial management network

Przemyslaw Kniaziuk | Interact

### News

+ Add

**Interact New collaboration environment coming soon**  
Interact is transitioning out of our IB...  
GA.Ludwiczak March 21

**IBM Connections in read only mode**  
While Interact builds its new...  
GA.Ludwiczak March 21

### Quick Links

- New MS Portal
- Old (IBM) Finance Network
- Old (IBM) Certifying Authorities network
- Old (IBM) Eligibility Community
- Old (IBM) Investments Community
- Old (IBM) SCOs Community
- Old (IBM) State aid Community

### Welcome to our new collaboration space

Welcome to MS Teams and SharePoint Interact is...

Przemyslaw Kniaziuk | Interact March 21

See all

<div>+ New</div> <div>Upload</div> <div>Edit in grid view</div> <div>Sync</div> <div>All Documents</div>			
	Name	Modified	Modified By
	Accounting function	March 21	SharePoint App
	Announcements and updates	March 21	SharePoint App
	Eligibility of expenditure	March 21	SharePoint App
	Financial Management	April 1	Przemyslaw Kniaziuk
	Investments in Interreg	March 21	SharePoint App
	SCOs in Interreg	March 21	SharePoint App
	State aid	March 21	SharePoint App





Network on Eligibility of Expenditure >  
Interreg SCOs

Updated Apr 1  
268 members

# „Old“ community structure

• **DISCUSSIONS** - this is the place for discussions/ exchange of ideas/ advice/ questions/ news. Discussions are organised and named around specific SCOs (e.g., unit costs for staff, SCOs for meetings/ events, etc.). If your question/ comment/ news falls under the existing forums, please post it there. If not - create a new forum thread. Don't hesitate to ask - this is how we all learn!

Applications:

Discussions

Topics



[Study on SCO-FNLC final report](#)

Started by Grzegorz Golda



[Verification of SCOs](#)

Started by Iuliia Kauk



[The EC study on SCOs and FNLC in practice in the IPA countries](#)

Started by Grzegorz Golda



[Update of the guidance on SCOs](#)

Started by Grzegorz Golda



[40% FR and the qualitative outputs - best practices, tips and hints.](#)

Started by Grzegorz Golda



[DG Regio TN Simplification - Survey on the 'development of new off-the-shelf SCOs for cross-cutting activities common...](#)

Started by Grzegorz Golda



[Performance-based methods](#)





Network on Eligibility of Expenditure >  
Interreg SCOs

Updated Apr 1  
268 members

# „Old“ community structure

• **FILES** - documents are organised in folders. Here you will find files related to the specific SCOs we work on, as well as material/ presentations from our events on SCOs. A special folder with an overview of available and currently implemented SCOs in Interreg programmes is available here too.

Applications:

Files ▾

Add ▾

All Community Files

Community Folders

- Assessment of SC...
- COVID-19 and SCOs
- Draft budget method
- EC Guidance Note ...
- > Events
- Interreg SCOs 2014...
- > Legal framework 20...
- Lump sum for proje...
- Other potentially int...
- Reusing SCOs from...
- > SCOs in 2021-2027
- SCOs methodologies

SCOs in 2021-2027

EC Guidance Note on SCO...

SCOs methodologies

Updated EC Guidance Note...

Unit costs for meetings and ...

Staff costs - calculation met...

Feed for these Folders



Network on Eligibility of Expenditure >  
Interreg SCOs

Updated Apr 1  
268 members

•**BOOKMARKS** - links to useful resources/ material. Here you will also find a collection of SCOs for the 2021-2027 programming period, our online courses, references to EC guidelines, etc.

# „Old“ community structure

Applications:

Bookmarks

Tags



Find a Tag

2014-2020 2021-2027 collection  
guidance library online\_course

Cloud | List

Interact Library on SCOs

Jasmina Lukic | Nov 12, 2024 | Tags: library

Online course - All you need to know about SCOs in 2021-2027 (focus on 2021-2027)

Iuliia Kauk | Dec 19, 2022 | Tags: online\_course

Online course - SCOs Explained (for beginners)

Iuliia Kauk | Dec 19, 2022

EC guidelines on the use of SCOs (2014-2020 but could be applicable for 2021-2027)

Iuliia Kauk | Dec 15, 2022 | Tags: 2014-2020, guidance

Interreg Collection of SCOs - 2021-2027

Iuliia Kauk | Jun 16, 2022 | Tags: 2021-2027, collection

Inforegio SCOs: material from transnational SCOs network, maps of ERDF SCOs from a

Iuliia Kauk | Mar 29, 2021

1-6 of 6

Feed for these Bookmarks



Network on Eligibility of Expenditure >  
Interreg SCOs

Updated Apr 1  
268 members

•**WIKIs** - these blocks are named after the specific SCOs we're working on (i.e., 3 options for staff costs calculations; lump sums for closure and preparation costs and so on).

# „Old“ community structure

Applications:

Wiki

▼ Staff costs - calculation methods

> Hourly rate per MS based on Eur...

> Fixed percentage method - real costs

Hourly rate per functional group

Unit cost for meetings & events

Lump sum for preparation costs

Lump sum for closure costs

Quality assessment of SCOs

Project changes and SCOs

Draft budget method

Peer-review sessions

Working group for a prep costs lump...

Topics for online sessions

FAQ on SCOs

Collaboration between authorities on...

New Page

Legal basis: According to Regulation [new Interreg], Article 38(3)(b) and Regulation of the following ways; i.e., a fair, equitable and verifiable calculation method, b

## Description of the method

Regulations provide for a possibility to establish the simplified cost options bas

Statistical data and other objective information refer to verifiable data from documents originated from the previous project applications, payment claims, invoices for

Statistical data covers, for instance, statistical data from Eurostat, ESPON, national data from universities, etc.

The data on the hourly rate (unit cost) of labour costs per Member States is collected since 1893/2006.

With the objective of harmonisation of the staff costs calculation methods in Interreg, **data from Eurostat.**

When developing this calculation methodology, we'll have to make sure that:

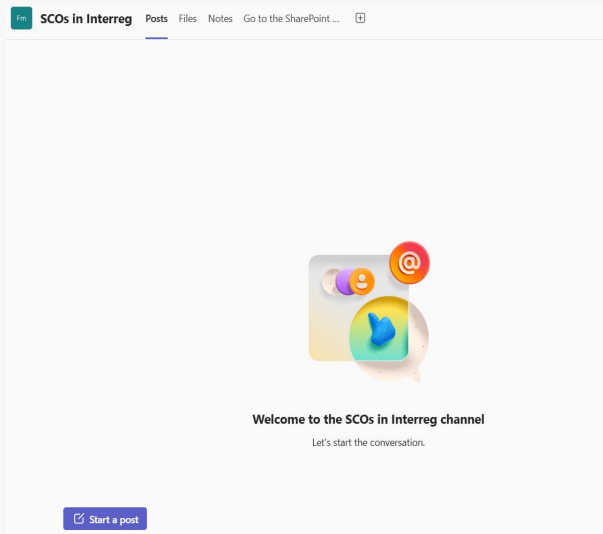
- the method is based on the documentary evidence which can be checked (verifiable)
- the data used is realistic, reasoned, relevant and explained (fair – the method is not biased)
- the method does not favour some beneficiaries (equitable).

## Analysis of the relevance of the labour costs data from Eurostat

### Labour cost levels by NACE Rev. 2 activity (lc\_ici\_lev)

Data description: labour cost statistics constitute a hierarchical system of multiple levels

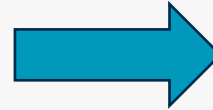
	Eurostat data
Definition	Labour costs are defined as core expenditure borne by



# „New“ community structure

Rules?

DISCUSSIONS + BOOKMARKS



POSTS (Teams)

FILES + WIKIs



FILES

Guidance?

Ideas/suggestions?



# Unit costs



# Experience sharing

*Marcin Kaczmariski*  
*Interreg Baltic Sea Region*

**Interreg**  
Baltic Sea Region



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## Register now for the Programme Conference

...to experience the magic of Interreg.  
This is how we do it, transnationally.

Programme Conference  
Tampere, Finland  
20-22 May 2025

[REGISTER NOW](#)



23 APR 2025  
Project platforms: powering  
up cooperation across the  
Baltic Sea region

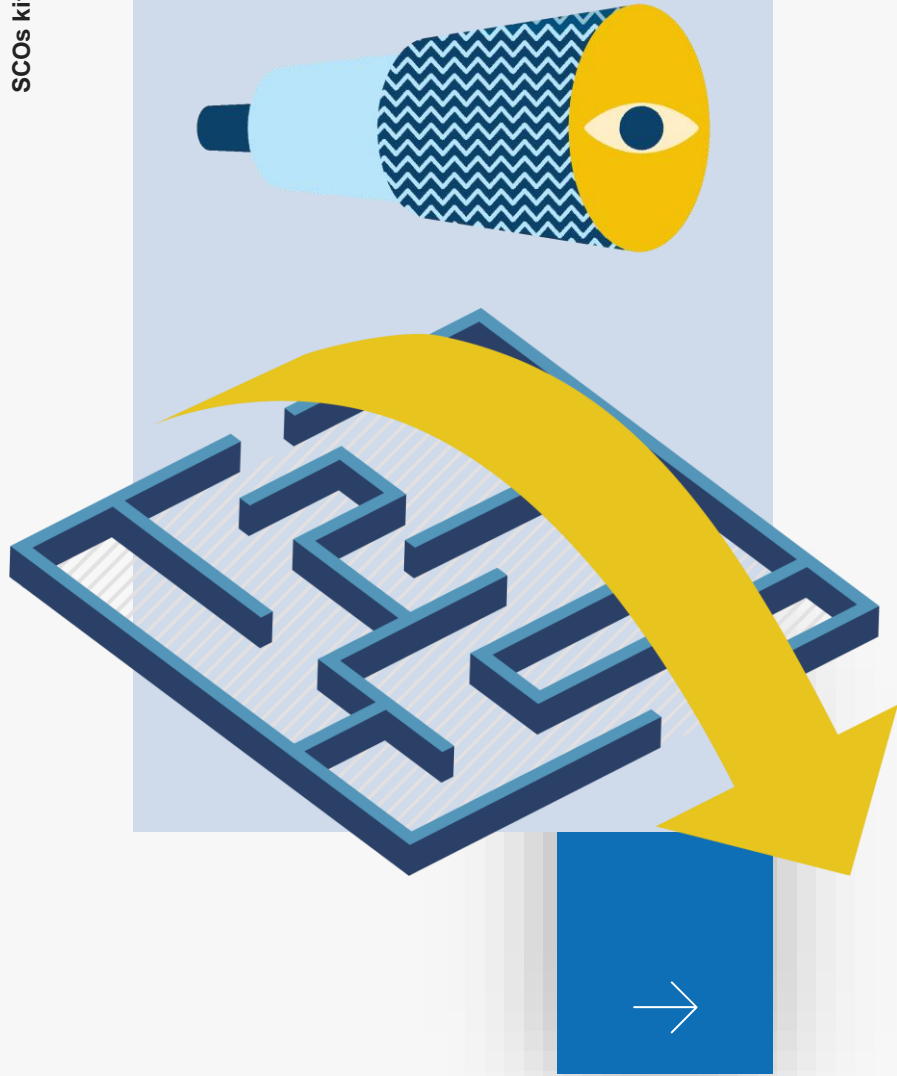
[READ MORE](#)



24 MAR 2025  
Set for the Interreg  
adventure, connected for a  
bigger impact!

[READ MORE](#)





# SCOs simplifications spotting

# Simplifications Expected

## Calls

Seminars focus on  
content  
consultations,  
projects preparation,  
planning  
automated calculations

## Assessment & Contracting

Focus on what is  
important  
Reduced time

## Implementation

More training time on  
what is important  
More flexibility  
Simplified reporting  
Speed up processes

## Management verification and audit

no more tracing every  
single euro  
more focus on outputs  
  
check of correct  
application of SCOs  
method (controllers)

## General

New type of beneficiaries  
Reduced workload  
Reduced admin costs  
and burden  
Speed up  
More focus on outputs  
and results  
Reduced error rate

## Retention period

Less documents stored

## Lower error rate

More correct and  
efficient use of  
Interreg

# Group work Simplifications spotted – how much? ; real-life examples – 15 minutes

Please reflect and discuss in your groups - 6 Steps:

- DYI
- Put your individual scores on the matrix in front of you
- Discuss at your table what you see
- Share your real life examples
- Can you agree on a single score per each phase?
- Share with the room



# Simplifications – step 2

## Spotted – how much? ; real-life examples

Phases	Person 1 (1 - 5)	Person 2 (1 - 5)	Person 3 (1 - 5)	Person 4 (1 - 5)	Person n (1 - 5)	Real life examples
Calls						
Assessment & Contracting						
Implementation						
Management verification and audit						
Retention period						
Other ?						



# Lump sums



# Preparation costs



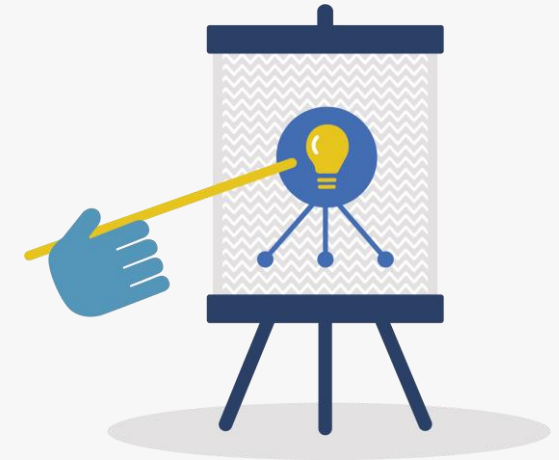
## Looking into the past...

- ❖ Make Headway – Enhancing SCOs, Bratislava, February 2020;
  - ❖ Keeping up with SCOs, online, July 2020
- A proposal - eligibility period/data basis/what's in the box/what's not in the box/calculation method
  - Majority approach possible?
  - Screening of programme documents (30 programmes) – short survey
  - Finding a one-size-fits-all methodology seems difficult



# Preparation costs

...and present...



- Currently more than 45 Interreg programmes (Interreg SCOs 2021-2027 collection)
- Used for: all types of projects; regular projects; small-scale projects; all except SPF
- Mandatory; optional; optional for projects without infrastructure
- Amounts = from 2.500 to 37.000 EUR

# Preparation costs

...to prepare for the future?



- ❖ Updating methodologies
- ❖ Possibilities for future harmonization?

# Implementation/Content



## Examples

- ❖ Lump sum for visibility (Hungary – Serbia)
- ❖ Lump sum for meeting, workshop, conference
- ❖ Lump sum for B2B and incoming mission
- ❖ Lump sum for accompanying actions
- ❖ Lump sum for Joint models/processes...

South Adriatic

# Experience sharing

*Davide Marciano*  
*Interreg IPA South Adriatic*

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**IPA South Adriatic**

Home Programme Projects News Tools Contacts

## The Programme in a nutshell

The Interreg IPA South Adriatic is a cross-border cooperation Programme co-funded by the European Union through the Instrument for Pre-Accession (IPA III), with a total budget of €1.258.768,19 euro (including 17,51% co-financing). It widely builds on the results of the Interreg IPA CBC Italy-Albania-Montenegro programme 2014-2020. The programme is managed by Puglia Region, which participates together with another Italian Region, Molise; Albania and Montenegro participate with the entire territory.

[read more](#)

## CHECK OUR ON-GOING CALLS

**Interreg** Co-funded by the European Union

**IPA South Adriatic**

## LAST UPDATE

## SOUTH ADRIATIC E-MANAGEMENT

# Thank you for being here!

Your opinion matters to us.

Please take a few minutes to provide us with feedback to help us improve our services.

