# SCOs in action

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Interact

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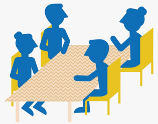
# Meeting objectives

To hear news, updates and reminders

To share experiences



To learn from each other, discuss and exchange

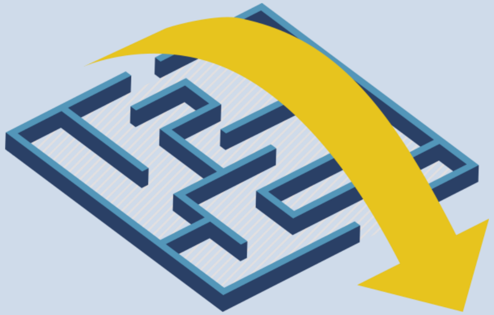
To have a good time

# Agenda/ day one

| 01 | 02 | 03 | 04 | 05 | 06 |
| --- | --- | --- | --- | --- | --- |
| Intro & objectives | News, reminders, updates | Audit experiences – first lessons learned from compliance audit | SCOs in Jems – experiences and lessons learned | Future of SCOs – SCOs in the proposal of the regulatory framework for 2028-2034 | Day 1 wrap-up |

# Agenda/ day two

| 01 | 02 | 03 | 04 | 05 |
| --- | --- | --- | --- | --- |
| Intro to day 2 | Warm-up – SCOs and reduction of administrative burden | Output based SCOs in the spotlight | 40% FR in action – implementation practices | Day 2 wrap-up and closure |



# News, Reminders, Updates

# SCOs in Interreg
# Teams Channel (new community)

Financial management network

- General
- Accounting function
- Eligibility of expenditure
- Investments in Interreg
- Programme Financial Management
- SCOs in Interreg

Grzegorz Golda | Interact Friday 14:15 Edited

**Welcome - intro, useful tips and tricks**

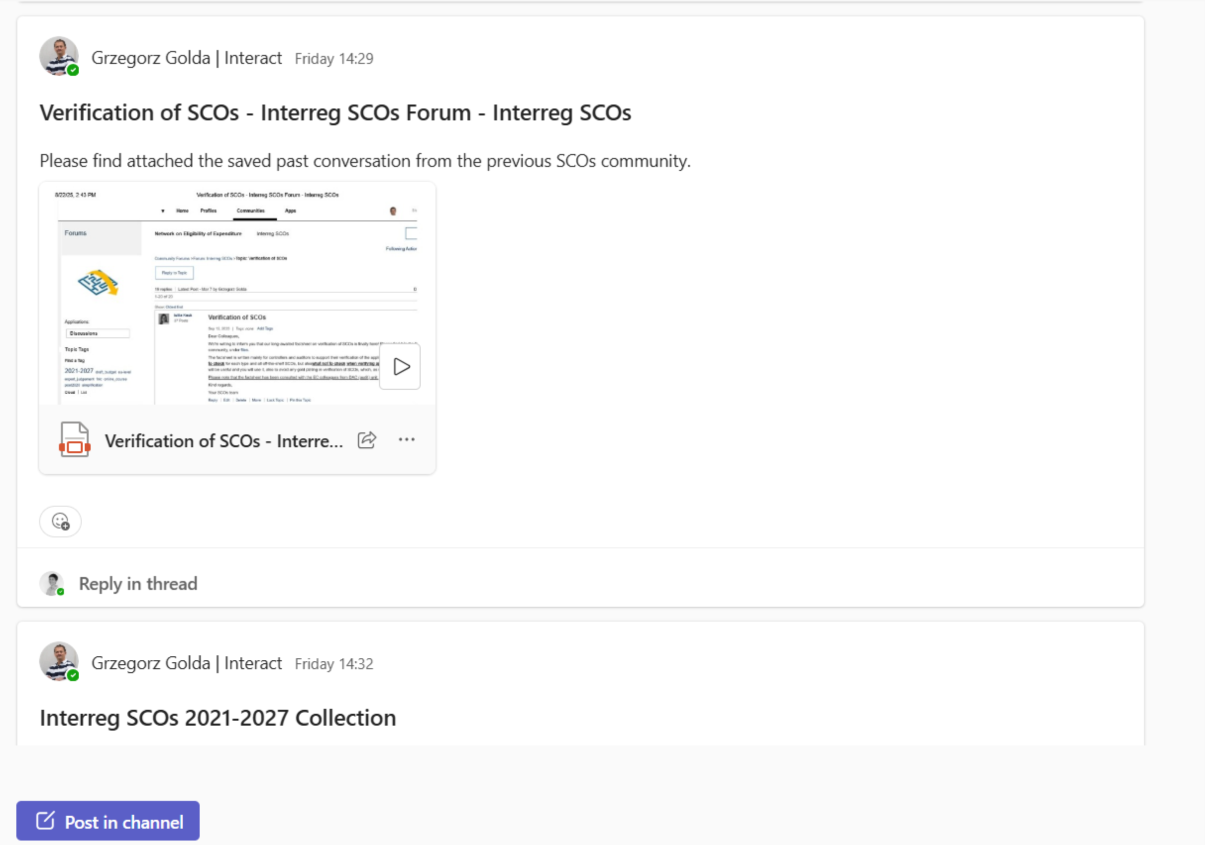
Welcome to the **Interreg SCOs Channel!** This place is a forum for all of us to connect, share ideas, brainstorm, and work our best together to ensure the uptake of SCOs in Interreg programmes.

**This channel is organised in:**

- **POSTS** - this is the place for discussions/ exchange of ideas/ advice/ questions/ news. Discussions are organised and named around specific SCOs topics (e.g., Flat rate 40%, Adjustment of SCOs methodologies, SCOs for events, Verification of SCOs , etc.). If your question/ comment/ news falls under the existing topic, **please post it as a reply in a relevant thread,** within the same window. BTW we kept the most recent threads from the previous SCOs community as pdf files and attached them as files at the beginning of each thread. A special post with an overview of available and currently implemented SCOs in Interreg programmes is available here too. If your topic is not covered by existing threads - **create a new post in channel,** by clicking the button at the bottom of this page. Don't hesitate to ask - this is how we all learn!
  HERE you will find a file with links to all threads in this section.
- **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 (similar as in posts section we saved the most recent files and folders from the old community).

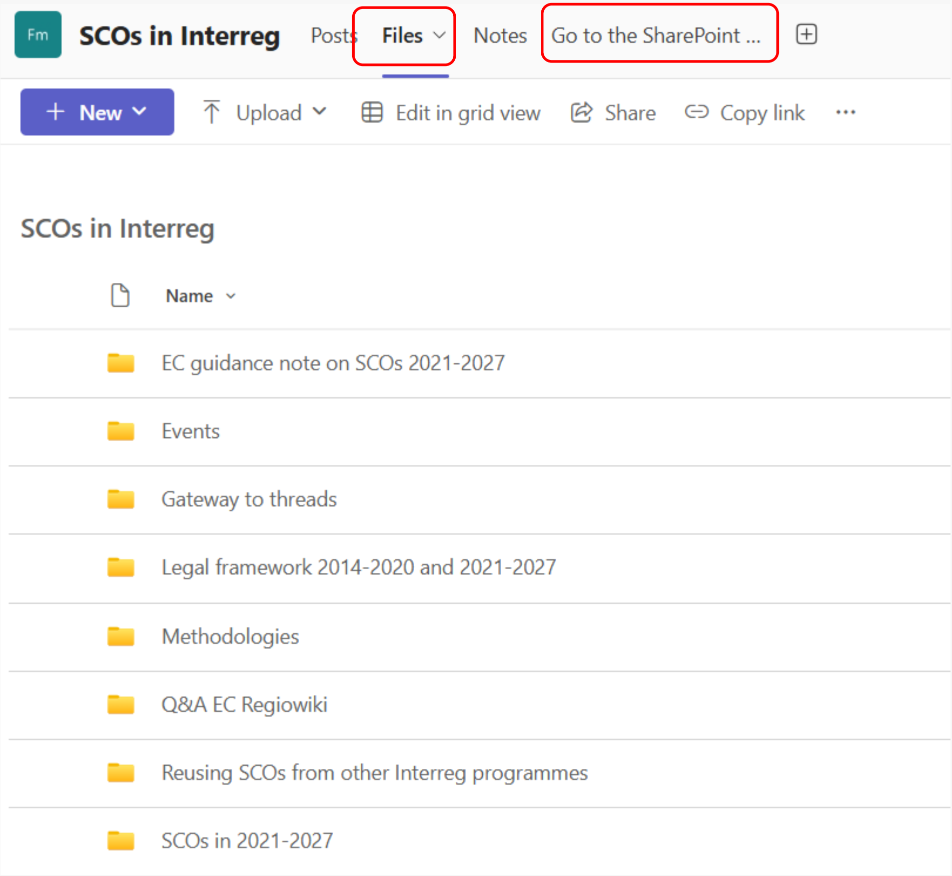
If you have some specific questions/ requests, send us an email at **sco@interact.eu**
Your SCOs team
see less

# SCOs in Interreg
# Teams Channel - posts

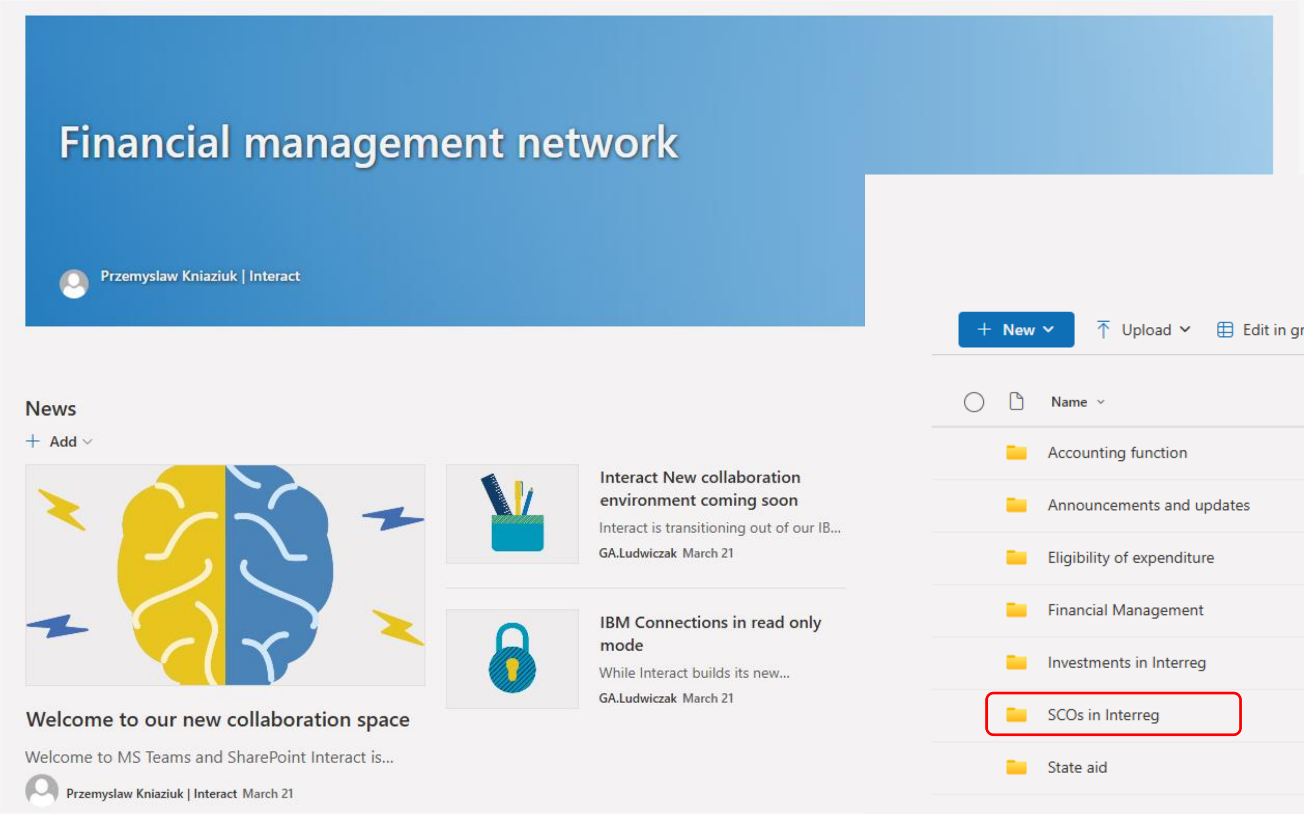


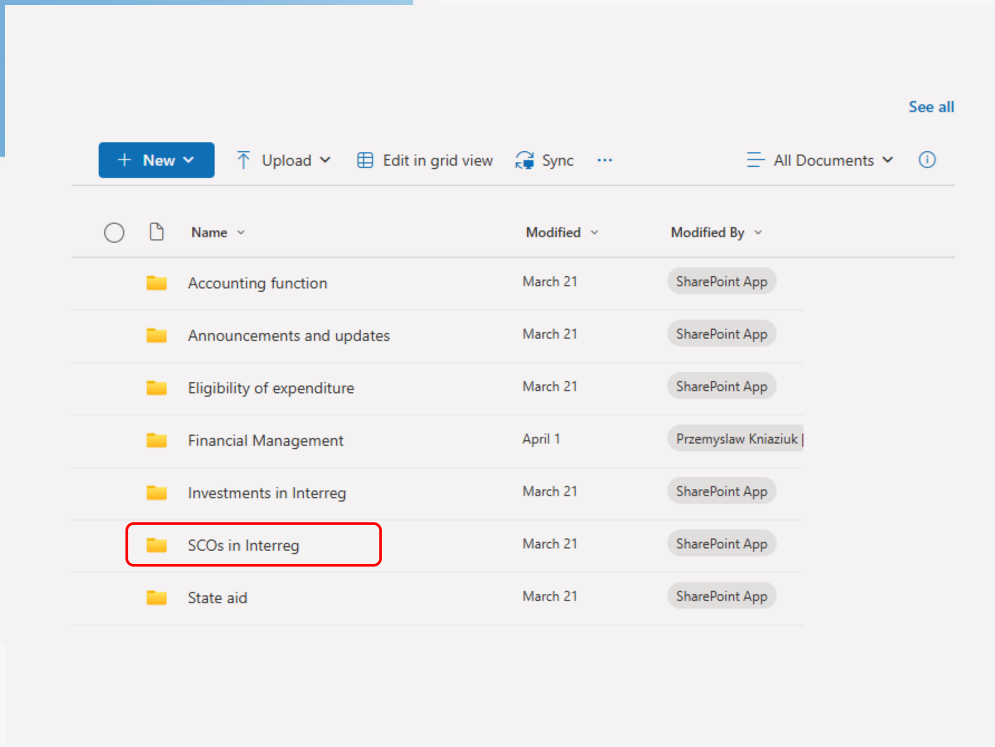

Gateway to discussion threads

# SCOs in Interreg
# Teams Channel - files



# SCOs in Interreg
# SharePoint




# News from
# DG Regio TN network on simplification

**QA 00300 – SK - Retroactive use of SCOs**
QA00300 - Retroactive use of SCOs - RegioWiki Extranet - RegioWiki

**Can SCOs be applied retroactively to expenditure incurred before the call was launched, for operations not yet completed?**

🟢 Yes – retroactive use of SCOs can be applied

As per Art. 63(6) CPR, operations not yet completed can be supported, even if costs were incurred before the call.

👉 Per Art. 63(2) CPR, SCOs may cover eligible expenditure incurred before selection, provided actions fall **within the eligibility period**.

📌 Legal conditions must be respected

Art. 73(3) CPR: SCOs must be defined in advance in the document setting out conditions for support. Expenditure must not be part of 2014–2020 accounts.

European Commission

# Project changes & SCOs - reminders

**SCOs are set in advance – limited scope of changes possible**

### Unit costs

No changes to the unit costs amounts which are set in advance

### Flat rates

Fixed percentage - no changes during project implementation!

### Lump sums

Changes to project output not possible; budget changes not possible

# Verification of SCOs – reminders

Official Journal
of the European Union

EN
C series

C/2024/7467 20.12.2024

COMMISSION NOTICE

**Guidelines on the use of simplified cost options within the Funds covered by Regulation (EU) 2021/1060 (Common Provisions Regulation)**

(C/2024/7467)



Interact publications - updates

Verification of SCOs

Interact Co-funded by the European Union Interreg

**Verification of simplified cost options (SCOs)**

March 2025, v.2[1]

**Practical implications of SCOs on control and audit work**

Contents

# EU Publications

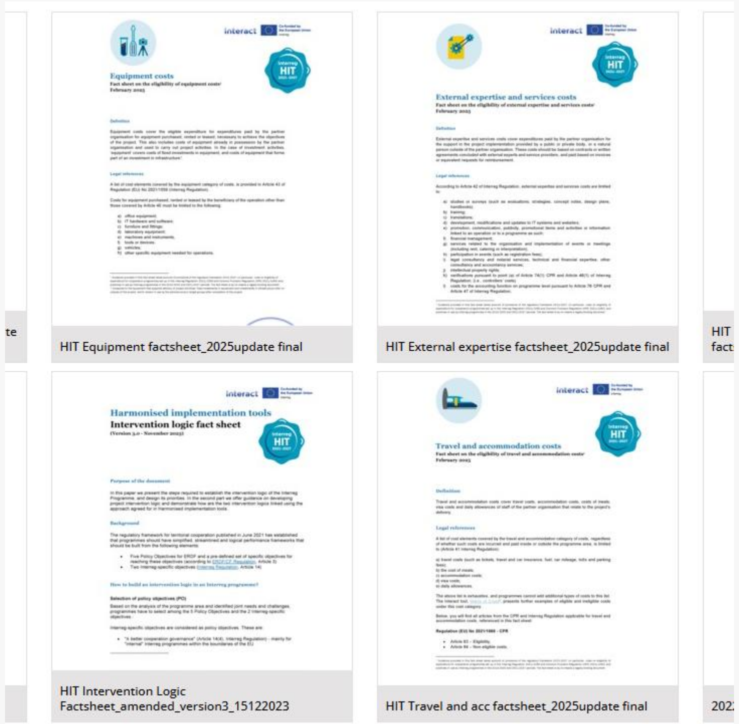
[Guidelines on the use of SCOs within the CPR Funds in 2021-2027]

[Study on the uptake of SCO and FNLC for the CPR Funds in the 2014-2020 and 2021-2027 programming periods]

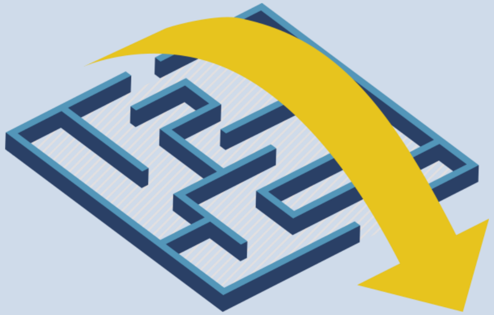
# Interact (other relevant) publications - updates

Matrix of costs

HIT eligibility factsheets



# SCOs – Interact Academy

# Audit experiences - first lessons learned from compliance audit

# Compliance audit and SCOs

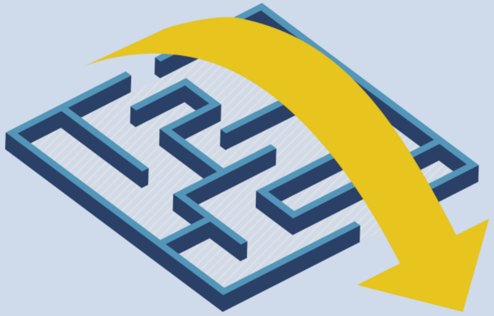
| | |
|---|---|
| Scope | 15 programmes in the common sample<br>8 programmes audited |
| POV | Audit of SCO methodologies included |
| SCOs in the 8 programmes | Off the shelf flat rates: O&A (all), Travel (6), Staff (4), Other (6)<br>Off the shelf unit cost, 1720 method for hourly rate (1)<br>Draft budget method: small scale projects (2), small project fund (1)<br>Programme specific SCOs: e.g. lump sum for preparation costs (5), hourly rate=unit cost (4) |

# Findings and recommendations

## For simplification

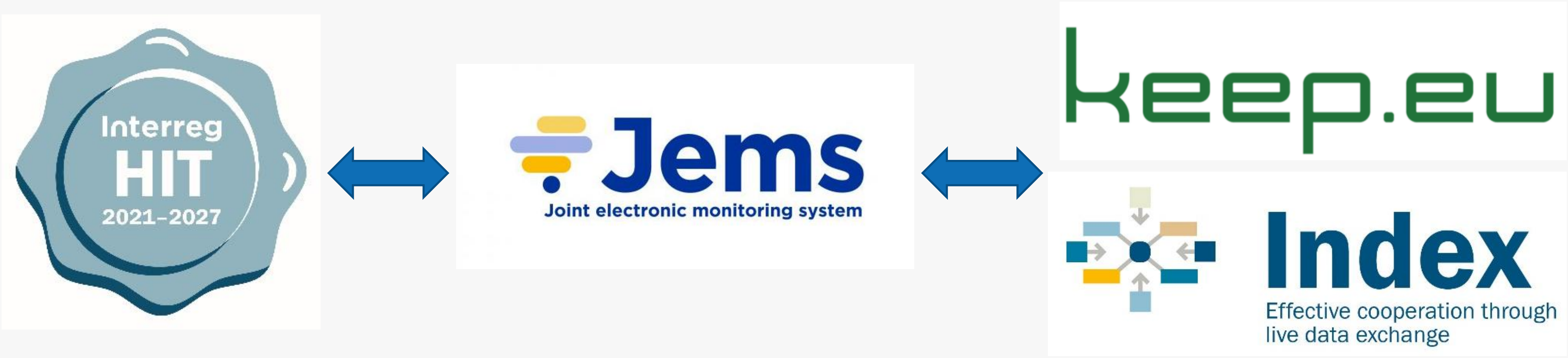
many cost items declared for indirect costs & very complex allocation of costs to the project
→ **advisable to use the flat rates for indirect costs**

offering the possibility to partners to choose the form of reimbursement: real costs or SCOs.
→ may undermine the purpose of SCOs (to approximate real costs) & increase the complexity in implementation and administrative burden of controls
→ **MA to make the decision on the use of the form of reimbursement**



# Interreg SCO's in Jems

# Jems is an integral part of the Interact service offer



# HIT agreements that had consequences for SCO‘s in Jems

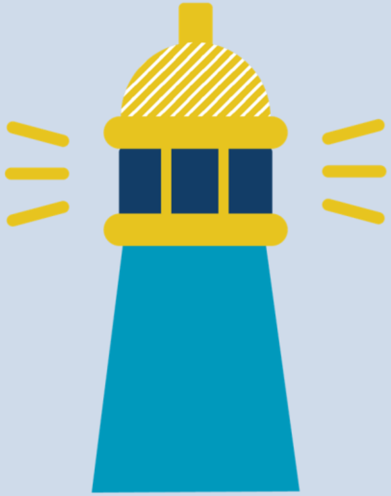
- Application form is always in Euro
- Reports can be in other currencies than euro
- HIT agreed to consider unit costs and lump sums covering multiple cost categories in it’s own cost category in tables
- Article 94/95 SCO’s were not considered.

Partner budget (part E.4)

| Partner | Funding source | Staff costs | Office and administrative costs | Travel and accommodation | External expertise and services | Equipment | Infrastructure and works | Lump sums (several cost categories) | Unit Costs (several cost categories) | TOTAL BUDGET |
|---|---|---|---|---|---|---|---|---|---|---|
| PP1 | *pre-filled from PART B* | *Subtotal* | *Subtotal* | *Subtotal* | *Subtotal* | *Subtotal* | *Subtotal* | *Subtotal* | *Subtotal* | *EUR* |

# Agreements by Jems user group (programmes)

- Draft budget → Only draft unit costs are used, lump sums can be skipped
- Lump sums for single cost categories are not used only multiple.



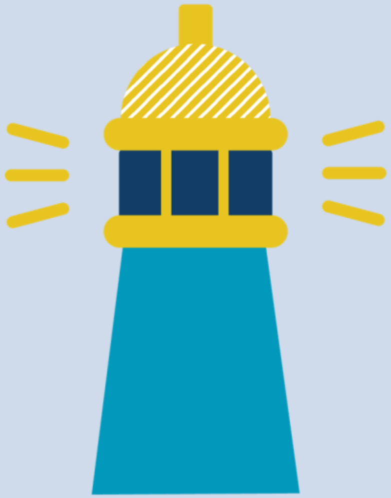
# SCO‘s
# Which are available in Jems?

Flat Rates

Lump sums (regular, fast track, 94/95)

Unit costs (regular, 94/95)

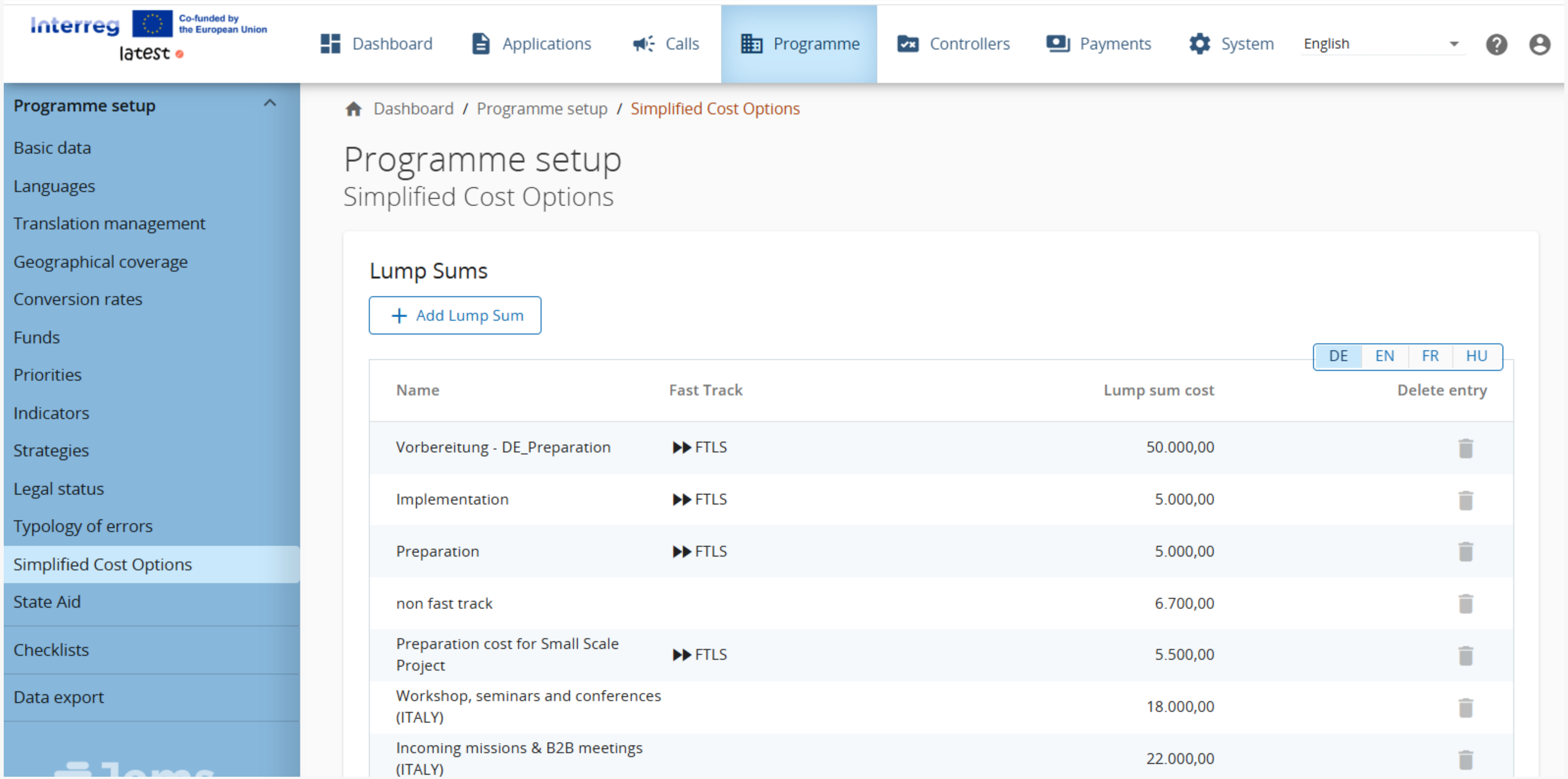
Project proposed unit costs → Draft budget



# Programme setup

- The place where programmes can create their lump sums and unit costs

# Programme setup



# Programme setup

## Lump Sum

DE EN FR HU

Name of the Lump Sum

DE EN FR HU

Description of the Lump Sum

* Lump Sum cost

* Allow splitting of the lump sum between partners:

Yes | No

* This is a Fast Track Lump Sum - will take a shortcut to payment (without reporting)

Yes | No

* Phase of the project to which the lump sum is related:

Preparation | Implementation | Closure

* Cost categories covered by the lump sum

At least two cost categories need to be selected:

- ☐ Staff Costs
- ☐ Office and administrative costs
- ☐ Travel and accommodation
- ☐ External expertise and services
- ☐ Equipment
- ☐ Infrastructure and works

In case your programme claims payments by EC based on Union contribution (see approved Interreg Programme document, section 8 and Appendix I and/or Appendix II respectively), please indicate the basis for this SCO in the dropdown below. If not, the default selection applies.

Expenditure incurred by beneficiaries acc. Art. 91.3.b and Art. 91.4.c (Default)

## Unit Cost

DE EN FR HU

Name of the Unit Cost

DE EN FR HU

Description of the Unit Cost/Staff function

DE EN FR HU

Unit type

* Cost per unit (in Euro)

Cost per unit (other currency)

Currency selector

* Cost categories covered by the unit cost

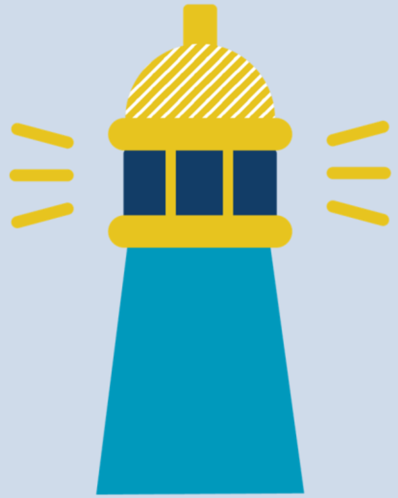
Unit cost covering one cost category is treated like real costs under the respective cost category and potentially triggers flat rates calculated on the basis of the respective cost category. E.g. Unit cost for staff costs is treated as staff costs and might trigger flat rates for Office and administrative costs, Travel and accommodation or Other costs, if selected by the project partner.

Unit cost covering multiple cost categories is treated like an own cost category and does not trigger any flat rate calculations. All eligible costs shall be included in the Cost per Unit.

One cost category | Multiple cost categories

In case your programme claims payments by EC based on Union contribution (see approved Interreg Programme document, section 8 and Appendix I and/or Appendix II respectively), please indicate the basis for this SCO in the dropdown below. If not, the default selection applies.

Expenditure incurred by beneficiaries acc. Art. 91.3.b and Art. 91.4.c (Default)



# Call setup

- The place where programmes can **select the lump sums and unit costs** created in the programme setup so that they can be used by projects that apply for the call.
- The place where **flat rates** are selected
- Programmes can also **switch off real costs** for a cost category
- Where programmes can allow **Draft budget**

# Call setup

## Allow Real Costs for cost categories

- [x] Staff costs
- [x] Travel and accommodation
- [x] External expertise and services
- [x] Equipment
- [x] Infrastructure and works

## Flat Rates

In this table you can activate the off-the-shelf flat rates from the regulations for your call. The rates can be set above the maximum % from the regulations shown as default value, provided that your rate is calculated in accordance with point (a) of Article 53(3) CPR

| Activate Option | Flat Rates | Set Rate | Fixed rate/ adjustable by applicant |
|---|---|---|---|
| ☑ | Staff cost flat rate based on direct cost | 20% | Fixed / Up To |
| ☐ | Office and administrative costs flat rate based on direct staff cost | 1% | Fixed / Up To |
| ☐ | Office and administrative costs flat rate based on direct cost | 1% | Fixed / Up To |
| ☐ | Travel and accommodation flat rate based on direct staff cost | 1% | Fixed / Up To |
| ☐ | Other costs based on staff costs | 1% | Fixed / Up To |

## Lump Sums

DE EN FR HU

| Activate Option | Name | Lump sum cost |
|---|---|---|
| ☐ | Vorbereitung - DE_Preparation | 50.000,00 |
| ☐ | Implementation | 5.000,00 |
| ☐ | Preparation | 5.000,00 |

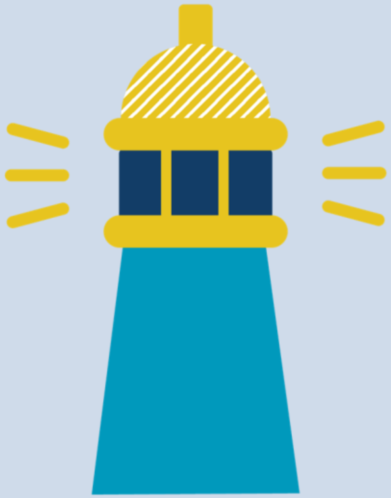
## Unit Costs

DE EN FR HU

| Activate Option | Name | Category | Unit type | Cost per unit |
|---|---|---|---|---|
| ☐ | UCSWI | Multiple Cost Categories | | 100,00 |
| ☐ | Targeted Training SSUC/30hours (ITALY) module 1 | Multiple Cost Categories | Number of trainees | 406,00 |
| ☐ | pagine internet | Multiple Cost Categories | pagine internet | 1.000,00 |
| ☐ | Certificates Unit Cost Multiple | Multiple Cost Categories | | 5.000,00 |

## Draft Budget

- [ ] Allow Project proposed unit costs



# Application Form

- Because of HIT, always in Euro with one exception, project proposed unit costs.
- Flat rates, unit costs are selected in the partner budget
- Lump sums in the project budget (split per partner if necessary)
- Draft budget

# Application Form flat rates

## Partner Budget Options

Partner flat rates cannot be ticked or unticked during modification of a contracted project.

- [x] Staff costs flat rate 20 %
- [x] Office and administrative costs flat rate based on direct staff costs 10 % of Staff costs
- [ ] Office and administrative costs flat rate based on direct costs
- [x] Travel and accommodation flat rate 1 % of Staff costs

- [ ] Other costs Flat Rate

## Partner budget

### Staff costs flat rate

Total Staff costs flat rate is calculated by applying the rate (%) to the sum of direct costs under the cost category travel and accommodation (if not a flat rate), external expertise and services, equipment and infrastructure and works

| Flat rate for Staff costs | Total |
|---|---|
| | 10.324,00 |

# Application Form unit costs

Infrastructure and works

DE EN FR HU

| Unit costs | Description | Comments | Award procedures | Investment | Unit type |
|---|---|---|---|---|---|
| Work DB | | | | I1.1 | |
| + | | | | | |

Unit costs covering more than one cost category

⚠ Please update the budget table: The sum of the amounts per period must match the budget item total. ×

DE EN FR HU

| Unit costs | Description | Unit type | No. of units | Price per unit | Tot |
|---|---|---|---|---|---|
| pagine internet | costo pagina internet | pagine internet | 1,00 | 1.000,00 | 1.000, |
| BOB | | | 1,00 | 8.000,00 | 8.000, |
| + | | | | | 9.000, |

# Application Form lump sums

## Project lump sums table

In this table you can define your project lump sums. Please choose the applicable lump sums from the dropdown and allocate the lump sum cost to project partner(s).

Please update the lump sum table: The sum of the amounts per partner must match the total lump sum costs.

DE EN FR HU

| Lump Sum ID | Programme lump sum | Period | Split up | Costs | LP1 thurday test | Sum | Gap |
|---|---|---|---|---|---|---|---|
| FTLS.1 | Preparation | Peri... | Yes | 5.000,00 | 0,00 | 0,00 | 5.000,00 |
| LS.2 | non fast tra... | Peri... | Yes | 6.700,00 | 0,00 | 0,00 | 6.700,00 |
| | | | | | 0,00 | 0,00 | |

+

# Application Form draft budget

Project proposes a normal budget → Project modification → turn the budget into unit costs

## Project proposed Unit Costs

This section allows to create Project proposed unit costs. Once you have created and saved your Project proposed unit cost(s), please go to section B - Partner Budget and add the Unit costs to the budget table of the respective cost category or the table of Unit costs covering more than one cost category. If you make changes to Project proposed unit cost(s), please go back to section B - Partner Budget and update the revised unit cost(s).

+ Add Project Proposed Unit Cost

DE EN FR HU

| Name | Unit type | Category | Cost per unit |
|---|---|---|---|
| test | | Multiple Cost Categories | 100,00 |
| test | | Staff Costs | 200,00 |
| Flat rate Management | | Travel and accommodation | 400,00 |

# Contracting

- Fast track lump sums can be set as Ready for payment by programmes
- The project can be identified as a project with art. 94/95 SCO's allowing to identify the union contribution in the Payment Application to EC.

# Contracting

## Fast track lump sums

The fast track lump sums can only be changed if project is not in modification!

Setting a fast track lump sum to "Yes" is automatically creating a payment in Payments programme section (where payment details can be filled in). Payment created is linked to the Application Form version in force when Fast track lump is set to "Yes".

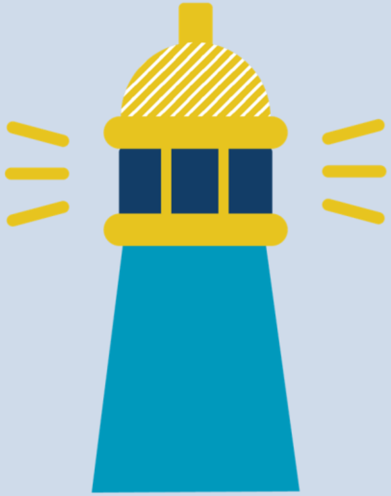
In case there are application form changes that must be taken over in a created, but not yet authorised or confirmed payment (e.g. changing the share of a partner in the Fast track lump sum or change a partner cofinancing rate aso.), you will have to:

1. first approve the Application Form modification and then
2. come back to this section to set the Fast Track Lump Sum to "No" (previous payment will be dropped) and then
3. set back to "Yes" (new payment is created - linked to the new version of the application form)

| Lump sum ID | Name | Total amount approved in the AF | Period | Ready for payment | AF version & date at time of ready | Payment ID | Payment Application to EC | Comment |
|---|---|---|---|---|---|---|---|---|
| FTLS.1 | Preparation | 5.000,00 | Preparation | Yes No | | | | Enter text here |

## Specific project typology

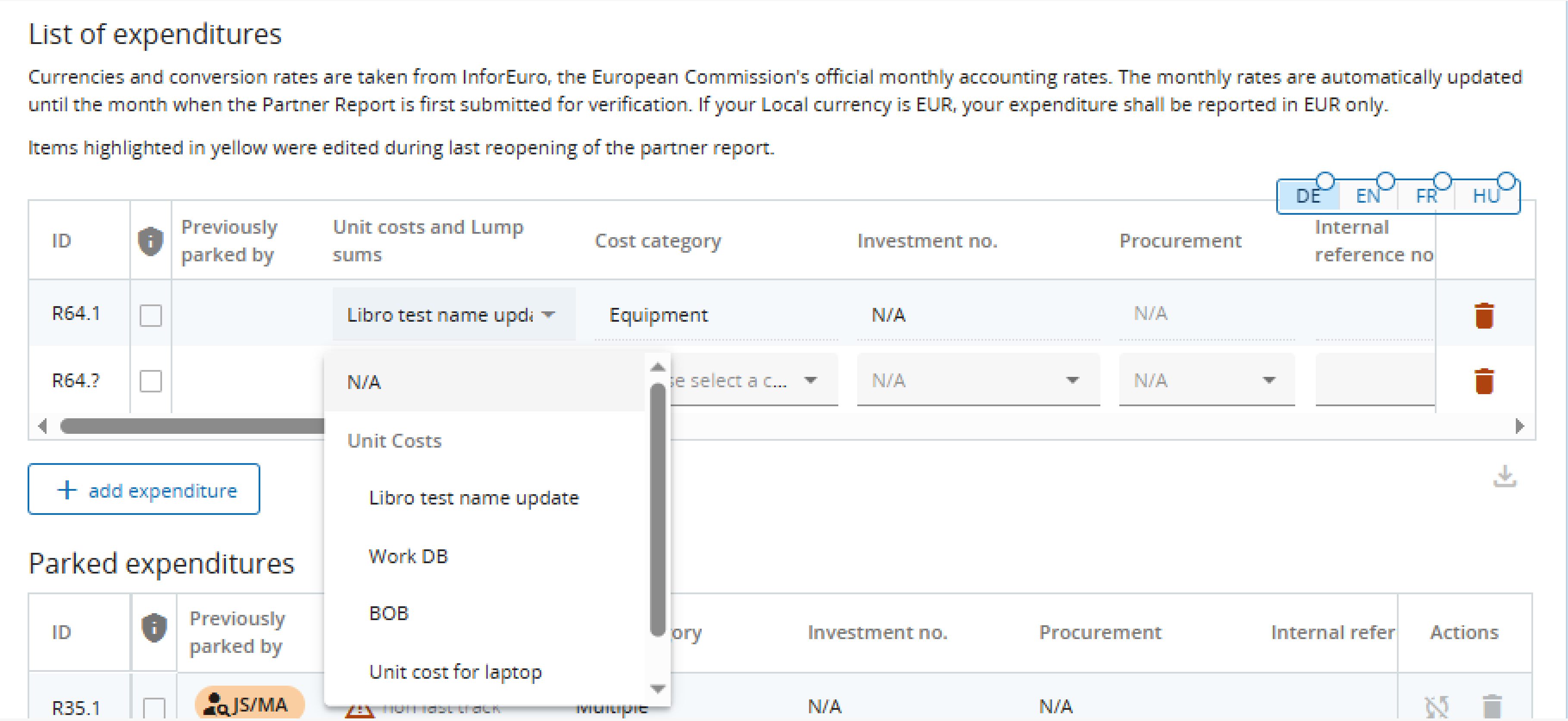
| Specific project typology | Answer | Comment |
|---|---|---|
| 1. Does the operation fall under the provisions of Article 94? | Yes Partly No | Enter text here |
| 2. Does the operation fall under the provisions of Article 95? | Yes Partly No | Enter text here |
| 3. Is this operation of strategic importance? | Yes No | Enter text here |
| 4. Is this operation a Public Private Partnership operation? | Yes No | Enter text here |

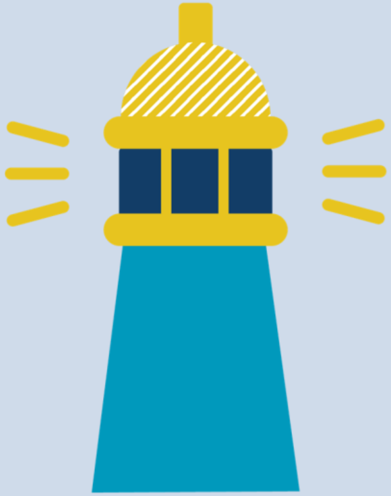


# Reporting

- In order to have less rounding issues, Flat rates are automatically applied to totals of cost categories report (not on single costs like it was in eMS)
- Regular Lump sums and unit costs can be reported by partners in the list of expenditure.
- Unit costs in foreign currencies can be selected in the LoE.

# Reporting

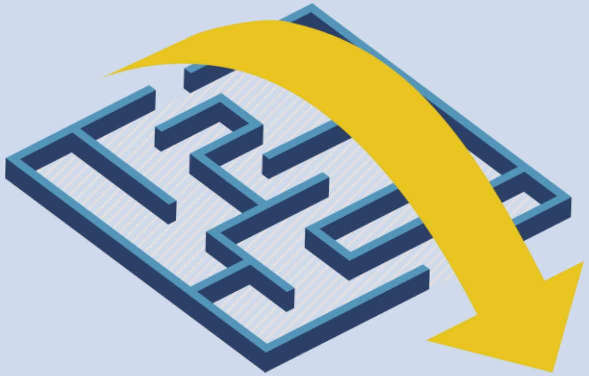

List of expenditures
Currencies and conversion rates are taken from InforEuro, the European Commission's official monthly accounting rates. The monthly rates are automatically updated until the month when the Partner Report is first submitted for verification. If your Local currency is EUR, your expenditure shall be reported in EUR only.
Items highlighted in yellow were edited during last reopening of the partner report.
DE
EN
FR
HU
ID
Previously parked by
Unit costs and Lump sums
Cost category
Investment no.
Procurement
Internal reference no
R64.1
Libro test name upd
Equipment
N/A
N/A
R64.2
N/A
Unit Costs
Libro test name update
Work DB
BOB
Unit cost for laptop
N/A
N/A
add expenditure
Parked expenditures
ID
Previously parked by
Investment no.
Procurement
Internal refer
Actions
R35.1
JS/MA
N/A
N/A



# Lessons learned

- Simplified cost options are technically complex even though they simplify the life of beneficiaries.
- Art 94/95 SCOs new, came later, only a few programmes use them, we could have designed it more user friendly.
- Draft budget required some technical thinking, reversing the logic

# Is this surprising to you?
# Did you have similar experiences?



# Future of SCOs in Interreg –

# SCOs in the proposal of the regulatory framework for 2028-2034

# What's currently in....

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509**

(25) The NRP Plans aim to ensure high value for money by making payments from the Commission to Member States conditional upon the achievement of outputs and the fulfilment of conditions agreed, irrespective of the form of reimbursement from Member States to beneficiaries. Linking disbursements with agreed and pre-set milestones, targets and outputs covering the full lifespan of the supported measure will contribute to the regularity of payments to Member States. To facilitate this process, Member States should be able to submit payment applications up to six times a year. To simplify financing and reduce administrative burden for beneficiaries, Member States are encouraged to use the same form of reimbursement applied for payments from the Commission to Member State or standard scales of unit costs, lump sums or flat rates.

*Article 13*
*Technical assistance at the initiative of the Member State*

1. At the initiative of a Member State, the Fund may support actions, which may concern previous and subsequent programming periods, necessary for the effective implementation of the Fund, including to provide financing for carrying out, amongst other, functions such as preparation, training, management, monitoring, evaluation, information, visibility and communication.

2. Technical assistance to each NRP Plan and each Interreg Plan chapter shall be established as a flat rate of up to 3% and 8% respectively, applied to the amount included in each payment application pursuant to Article 65 [payment applications]. The flat rate shall be 10% for the Interreg Plan chapters supporting outermost cooperation and

Article 78
Use of simplified form of support towards the beneficiaries

1. Unless provided otherwise in this Regulation, where the total estimated cost of an operation does not exceed EUR 400 000, the public support provided to the beneficiary by the Member State shall take the form of financing not linked to cost or, a unit costs, lump sums or, flat rate, except for operations for which the support constitutes state aid.

3. For operations supported under interventions referred to in Article 34(1) [Types of interventions], the requirements of the first sub-paragraph shall apply only to those operations of which the total cost does not exceed EUR 100 000.

# Types of SCOs and their combinations…

REGULATION (EU) 2021/1060 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 24 June 2021

laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Manage

*Article 53*

**Forms of grants**

1. Grants provided by Member States to beneficiaries may take any of the following forms:

(a) reimbursement of eligible costs actually incurred by a beneficiary or the private partner of PPP operations and paid in implementing operations, contributions in kind and depreciation;

(b) unit costs;

(c) lump sums;

(d) flat-rate financing;

(e) a combination of the forms referred to in points (a) to (d), provided that each form 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 operation;

(f) financing not linked to costs, provided such grants are covered by a reimbursement of the Union contribution pursuant to Article 95.

2. Where the total cost of an operation does not exceed EUR 200 000, the contribution provided to the beneficiary from the ERDF, the ESF+, the JTF, the AMIF, the ISF and the BMVI shall take the form of unit costs, lump sums or flat rates, except for operations for which the support constitutes State aid. Where flat-rate financing is used, only the categories of costs to which the flat -rate applies may be reimbursed in accordance with point (a) of paragraph 1.

By way of derogation from the first subparagraph of this paragraph, the managing authority may agree to exempt some operations in the area of research and innovation from the requirement set out in that subparagraph, provided that the monitoring committee has given prior approval for such an exemption. In addition, allowances and salaries paid to participants may be reimbursed in accordance with point (a) of paragraph 1.

# How to set up SCOs….

**REGULATION (EU) 2021/1060 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**of 24 June 2021**

**laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy**

3. The amounts for the forms of grants referred to under points (b), (c) and (d) of paragraph 1, shall be established in one of the following ways:

(a) a fair, equitable and verifiable calculation method based on:

- (i) statistical data, other objective information or an expert judgement;
- (ii) the verified historical data of individual beneficiaries;
- (iii) the application of the usual cost accounting practices of individual beneficiaries;

(b) draft budget established on a case-by-case basis and agreed *ex ante* by the body selecting the operation, where the total cost of the operation does not exceed EUR 200 000;

(c) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applicable in Union policies for a similar type of operation;

(d) in accordance with the rules for application of corresponding unit costs, lump sums and flat rates applied under schemes for grants funded entirely by the Member State for a similar type of operation;

(e) flat rates and specific methods established by or on the basis of this Regulation or the Fund-specific Regulations.

# 'Off the shelf' SCOs

*Article 54*

**Flat-rate financing for indirect costs concerning grants**

Where a flat rate is used to cover indirect costs of an operation, it may be based on one of the following:

(a) up to 7 % of eligible direct costs, in which case the Member State shall not be required to perform a calculation to determine the applicable rate;

›) up to 15 % of eligible direct staff costs, in which case the Member State shall not be required to perform a calculation to determine the applicable rate;

:) up to 25 % of eligible direct costs, provided that the rate is calculated in accordance with point (a) of Article 53(3).

ı addition, where a Member State has calculated a flat rate in accordance with point (a) of Article 67(5) of Regulation (EU) Io 1303/2013, that flat rate may be used for a similar operation for the purposes of point (c) of this Article.

*Article 56*

**Flat rate financing for eligible costs other than direct staff costs concerning grants**

1. A flat rate of up to 40 % of eligible direct staff costs may be used in order to cover the remaining eligible costs of an operation. The Member State shall not be required to perform a calculation to determine the applicable rate.

2. For operations supported by the ERDF, the ESF+, the JTF, the AMIF, the ISF and the BMVI, salaries and allowances paid to participants shall be considered additional eligible costs not included in the flat rate.

3. The flat rate referred to in paragraph 1 of this Article shall not be applied to staff costs calculated on the basis of a flat rate as referred to in Article 55(1).

2. Office and administrative costs may be calculated as a fixed percentage of the gross employment cost in accordance with point (b) of the first subparagraph of Article 54 of Regulation (EU) 2021/1060.

3. Staff costs may be reimbursed either:

(a) in accordance with point (a) of Article 53(1) of Regulation (EU) 2021/1060, proven by the employment document and payslips;

(b) under simplified cost options as set out in points (b) to (f) of Article 53(1) of Regulation (EU) 2021/1060;

(c) as a flat rate of up to 20 % of the direct costs other than the direct staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate; or

(d) as an hourly rate in accordance with Article 55(2) to (4) of Regulation (EU) 2021/1060 either for direct staff costs of individuals who work on full-time assignment on the operation or for individuals who work on part-time assignment on the operation pursuant to point (b) of paragraph 4 of this Article.

4. Staff costs related to individuals who work on part-time assignment on the operation, may be calculated as either:

(a) a fixed percentage of the gross employment cost in accordance with Article 55(5) of Regulation (EU) 2021/1060; or

(b) a flexible share of the gross employment cost, in line with a number of hours varying from one month to the other worked on the operation, based on a time registration system covering 100 % of the working time of the employee.

5. Travel and accommodation costs of an operation may be calculated at a flat rate of up to 15 % of the direct staff costs of that operation, without there being a requirement for the Member State to perform a calculation to determine the applicable rate.

# Guidance and good practices…

C/2024/7467 20.12.20

COMMISSION NOTICE

Guidelines on the use of simplified cost options within the Funds covered by Regulation (EU) 2021/1060 (Common Provisions Regulation)

(C/2024/7467)

**DISCLAIMER:**

*'This is a working document prepared by the Commission services. On the basis of applicable EU law, it provides technical guidance for colleagues and bodies involved in the monitoring, control or implementation of the Common Provisions Regulation Funds. This guidance is without prejudice to the interpretation of the Court of Justice and the General Court.'*

Contents

# What's currently in….

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509**

(25) The NRP Plans aim to ensure high value for money by making payments from the Commission to Member States conditional upon the achievement of outputs and the fulfilment of conditions agreed, irrespective of the form of reimbursement from Member States to beneficiaries. Linking disbursements with agreed and pre-set milestones, targets and outputs covering the full lifespan of the supported measure will contribute to the regularity of payments to Member States. To facilitate this process, Member States should be able to submit payment applications up to six times a year. To simplify financing and reduce administrative burden for beneficiaries, Member States are encouraged to use the same form of reimbursement applied for payments from the Commission to Member State or standard scales of unit costs, lump sums or flat rates.

*Article 13*

*Technical assistance at the initiative of the Member State*

1. At the initiative of a Member State, the Fund may support actions, which may concern previous and subsequent programming periods, necessary for the effective implementation of the Fund, including to provide financing for carrying out, amongst other, functions such as preparation, training, management, monitoring, evaluation, information, visibility and communication.

2. Technical assistance to each NRP Plan and each Interreg Plan chapter shall be established as a flat rate of up to 3% and 8% respectively, applied to the amount included in each payment application pursuant to Article 65 [payment applications]. The flat rate shall be 10% for the Interreg Plan chapters supporting outermost cooperation and cooperation on external borders.

Article 78

Use of simplified form of support towards the beneficiaries

1. Unless provided otherwise in this Regulation, where the total estimated cost of an operation does not exceed EUR 400 000, the public support provided to the beneficiary by the Member State shall take the form of financing not linked to cost or, a unit costs, lump sums or, flat rate, except for operations for which the support constitutes state aid.

2. ?

3. For operations supported under interventions referred to in Article 34(1) [Types of interventions], the requirements of the first sub-paragraph shall apply only to those operations of which the total cost does not exceed EUR 100 000.

# Interreg plan modalities…



2025/0238 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing the European Fund for Regional Development including for European Territorial Cooperation (Interreg) and the Cohesion Fund as part of the Fund set out in Regulation (EU) [NRP] and establishing conditions for the implementation of the Union support to regional development from 2028 to 2034**

*Article 9*

***Approval and amendment of the Interreg Plan***

1. The Commission shall adopt an implementing act, in accordance with the procedure referred to in Article 13(2) [Committee Procedure], setting out:

(a) the list of Interreg Plan chapters, the designation of the respective chapter areas and the indicative allocation from the Fund and, where applicable, from the Global Europe Instrument;

(b) where appropriate, detailed arrangements covering the specific implementation modalities of Interreg to ensure a consistent approach.

The elements referred to in the first subparagraph, point (a) shall be established on the basis of the information provided by each Member State on the planned

# Future SCOs in Interreg - Let‘s discuss

What is a version minimum?

What is needed?

What is ‚wishful thinking‘?

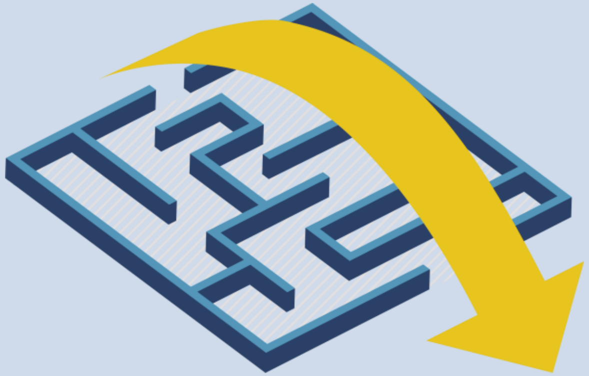
# SCOs in action – day 2

Sanna Erkko, Pieter Lowers, Grzegorz Golda, Jasmina Lukic / 07-08.10.2025

Interact

Co-funded by the European Union

Interreg



# Output-based SCOs in the spotlight

# Lump sums in Interreg

## From the EC guidelines on SCOs…


2.4.1. *General principles*

In the case of lump sums, all eligible expenditure or part of eligible expenditure of an operation or project are calculated on the basis of an amount established and duly justified in advance and are reimbursed if predefined activities and/or outputs are completed.

Lump sums can be suitable in the case where unit costs are not an appropriate solution because easily identifiable quantities are missing, e.g., for the production of a toolkit, the organisation of an open community event, a seminar, etc.

Interreg IPA Hungary - Serbia | Co-funded by the European Union

SIMPLIFIED COST OPTION
**Info & Publicity**

**REIMBURSEMENT PROCESS OF THE LUMP SUM ITEMS**

- **50% authomatic, when:**

| | BASIC | MEDIUM | ADVANCED |
|---|---|---|---|
| project sub-page /project | upload of initial project content | | |
| social media profile /project | social media page/group created | | |
| press release disseminated | 1 | 1 | 1 |
| roll-ups delivered | 2 | 2 | 2 |
| sponsored article published | 1 | 1 | 1 |
| local TV or radio report or spot aired | n.r. | 1 | 1 |

# Draft budget method

the EC guidelines on SCOs…

SCOs dedicated webpage – Meeting in Munich (March 2025)

Dedicated Interact webinar September 2023 – Interact SCOs Teams channel

DB dedicated Interact publications – Interact SCOs Teams channel or

dedicated Interact SCOs webpage (please scroll down)

Interact Miro board

# Draft budget method – recurring questions

What should be the output?

How many milestones?

What should be suitable evidance

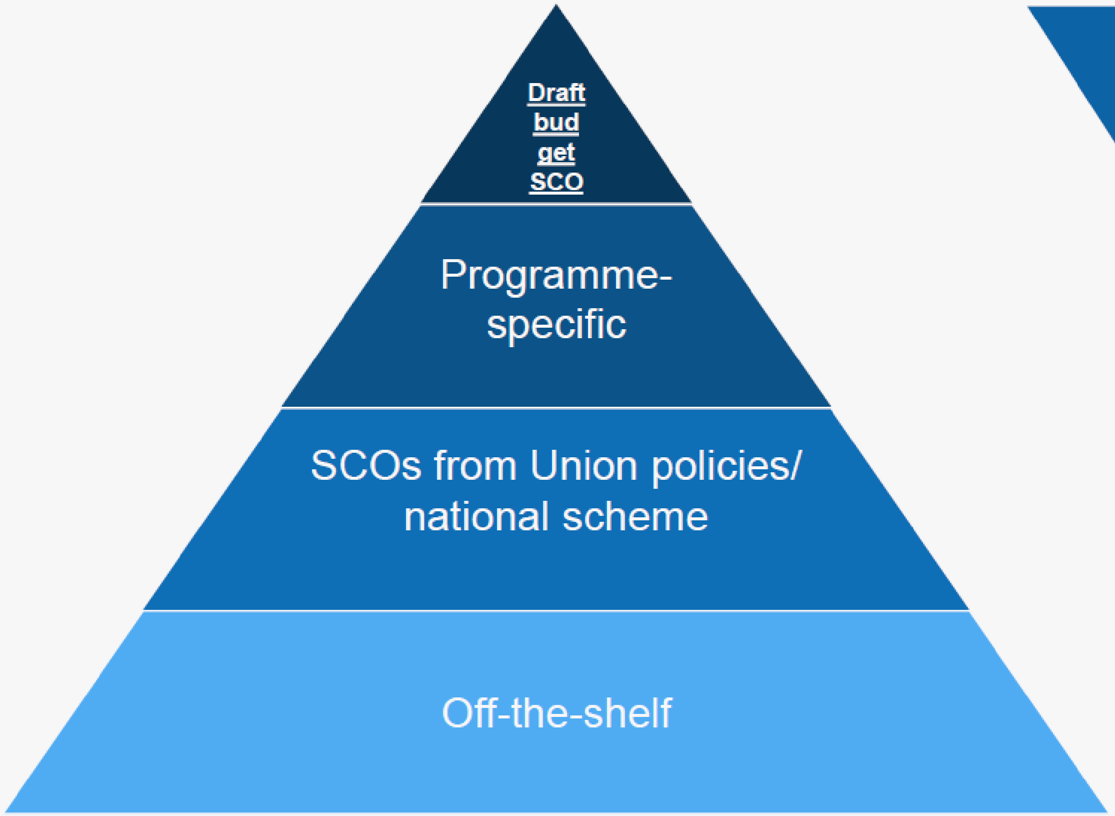
How to monitor the progress?

How to verify the delivery?

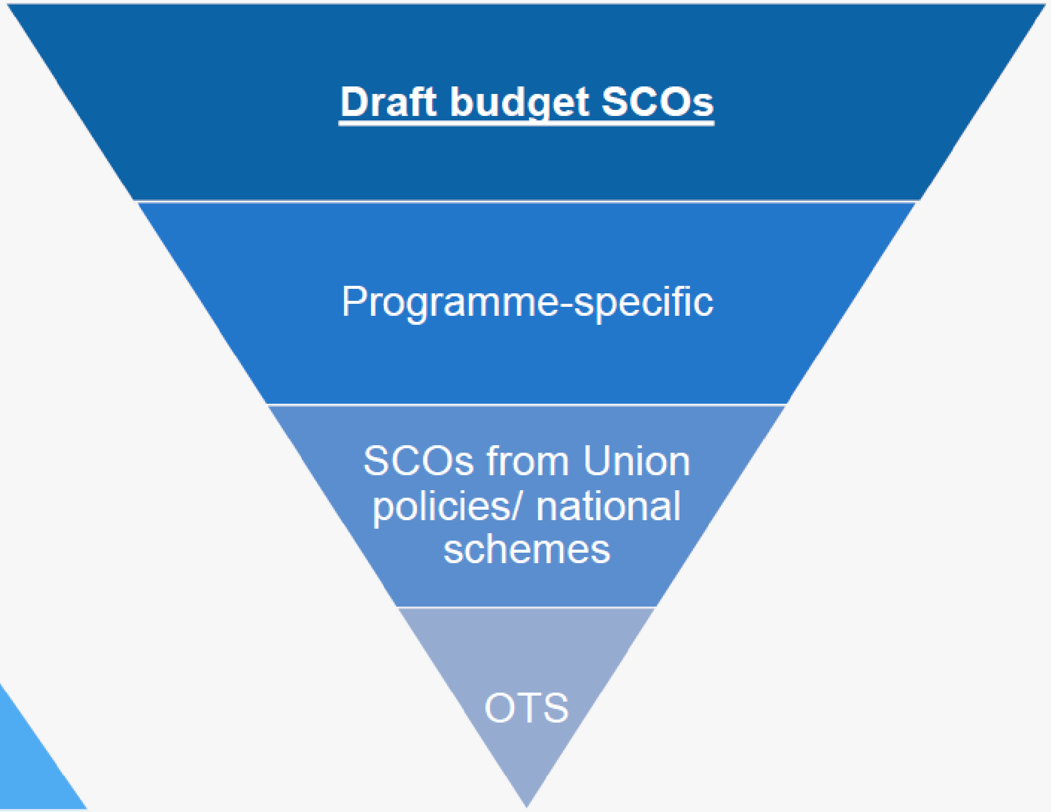
# Draft budget method

PRESENTATION

## SCO standardization level




## Resources/work required by programme(MA/JS)



# Draft budget method in the project life cycle Two perspectives – MA’s & beneficiary’s

Preparation Phase

Assessment & transformation

Implementation

Management verification

# Draft budget method - experience sharing

**Draft budget and output based SCOs – experiences in Finland**

Interact / SCOs in action

8 October 2025

Päivi Poikola - Ministry of Economic Affairs and Employment of Finland (NCB/MA)

Republic of Estonia
State Shared Service Centre

**Lump sums in Estonia**

Aveliin Sule – Expert on SCOs

Interreg VI–A Italia–Österreich
Kooperationsprogramm
Programma di cooperazione

**Experiences with Draft Budget in Interreg IT-AT**

Interreg Italia–Österreich
Co-funded by the European Union
Europa noch näher
Un'Europa più vicina

Josef Tetter, Petra Tamanini, Isabella Dissertori

# Practice:

## You are MA/JS.

## You received a project proposal with a draft budget.

- Your task:
  - Propose payment trigger
  - Decide on the most suitable types of evidence

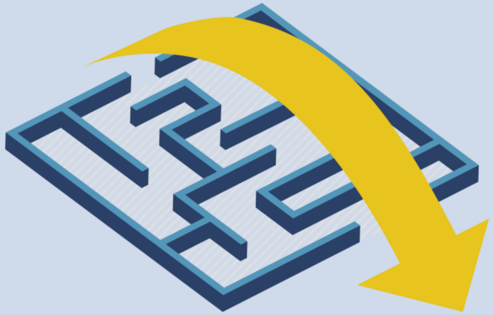
# Case : Analysis of the region’s tourism potential

## Activities:

- Evaluation of project’s area cross border tourism potential - data collection and analysis.
- Design of project implementation plan.
- Selection of tourist business representatives (e.g. operators, guides, promoters, influencers) as editors for the action plan.
- Your task:
  - Propose a payment trigger
  - Decide on the most suitable types of evidence

**Budget**

| Cost category | Description | Amount |
|---|---|---|
| **Staff costs** | 20% FR | 3 708 € |
| **Office and administrative costs** | 15% FR | 556,20 € |
| **Travel and accommodation costs** | 10% FR | 370,80 € |
| **External expertise and services costs 1** | data collection and analysis + shortlist of business representatives *(market research - 3 offers)* | 18 000 € |
| **External expertise and services costs 2** | catering for meetings with future editors (3*10*18€) – *(programme reference costs)* | 540 € |
| | | |
| **Total** | | **23 175 €** |



# 40% flat rate in action - implementation practices

# Experience sharing

***Johanna Futen***
Interreg Meuse – Rhine (NL – BE – DE)

***Kamila Nowicka***
Interreg South Baltic

# SCOs in Interreg Teams Channel – new threads

Grzegorz Golda | Interact 08:04 Edited

### SCOs for the post 2027 Interreg

This is the thread where you can share all your thoughts, questions, ideas on SCOs related topic for the 2028-2034 programming period.

Reply in thread

Grzegorz Golda | Interact 08:07

### Audit of SCOs

Under this thread please share with the community your SCOs audit exepriences,

Reply in thread

# What's next

**Large CBC/TN/INT finance network meeting** – 9 December 2025

**CBC finance network meeting** – 10 December 2025

# Cooperation works

**All materials will be available on:**
**Interact.eu/Library**

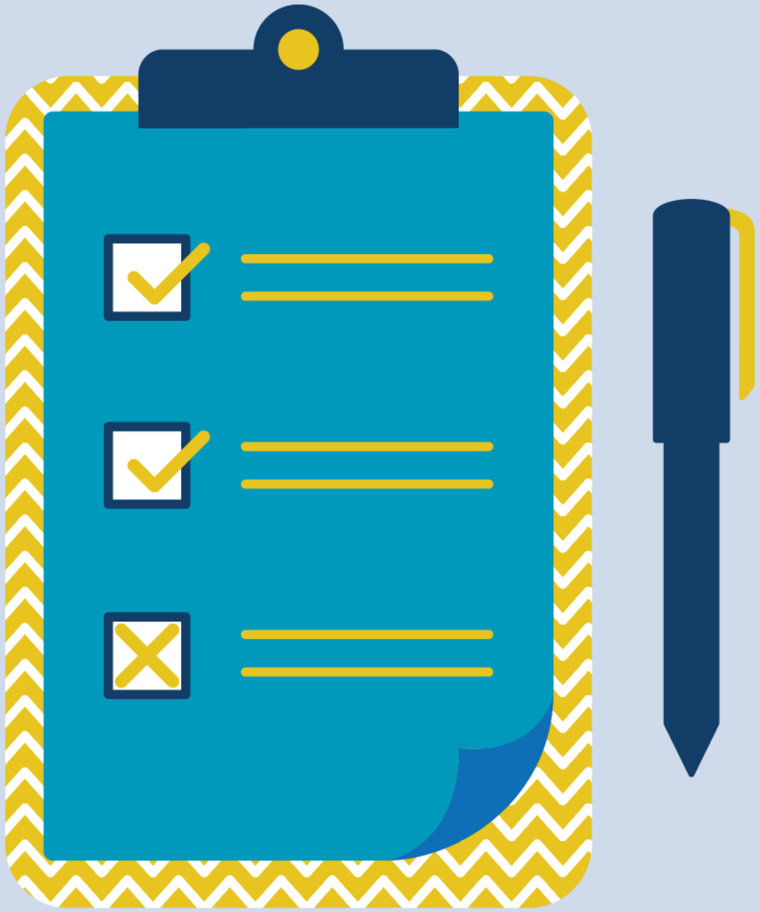
**Want to discuss it? Join our MS Teams environment!**
**Portal.Interact.eu | Programme and Project Management**

# 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.

SCOs in action



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