

Project life cycle in an SPF

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Interact



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This is a **pilot activity** for Interact, testing a new approach to our service delivery – and **whether it works for you!**

While you are here, you will be asked to **rate individual sessions** (in Whova) and to respond to a **4-question survey** at the end of each day.

Please share your feedback with us!



Plan

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**Intro &
mapping**

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More news..

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**PLC in SPF-
practical
reflections
on the model**

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**Management
verifications
in SPF**

05

**What's to
come**

SPF mapping

- How many programmes have already opened calls for an SPF?
- When do you plan to open?
- What is the estimated allocation for SPF(s) in your programme?
- What is the estimated number of SPF(s) in your programme?



SPF news

New ideas in SPF:

Interreg Italy – Slovenia – EGTC Go:

- ❖ European Capital of Culture Nova Gorica- Gorica 2025

Interreg IPA Croatia – Bosnia and Herzegovina – Montenegro:

- ❖ Support for SMEs

Interreg Alps – Lake Constance – Upper Rhine: EGTC Science Alliance in Region 4

- ❖ SPF on science & SME cooperation

Good governance in an SPF – 1/2

Building the system

Consider building the system as a task requiring close cooperation between MA and SPF beneficiary; in best case based on mutual trust and understanding of the roles in implementation

Using a client-friendly and lean approach

The SPF beneficiary should establish a client-friendly implementation system and the MA should support this! Easy application process, quick assessment and decision-making; short contract templates, small selection committees allowing for short response times from application to decision

Using SCOs as genuine engine for simplification

Use of off-the-shelf SCOs for SPF beneficiary and recipients in small projects is possible (has been clarified with COM) and should be done to the extent possible. Use the inherent momentum to develop a result-based system from guidance over call to assessment, reporting, check of results and payment

Good governance in an SPF – 2/2

Easy monitoring and reporting requirements

Establish a result-based system based on clear-cut evidence per result and hence concise reporting requirements and the option for quick control of results by the SPF beneficiary

Risk-based approach to management verification

Since small projects should use SCOs to the extent possible management verification performed by one country might be sufficient (since it is mostly about verifying the proper use of the method(s); Definitely no more 100% control but a risk-based approach. SCOs are – generally speaking - ranked as low risk options!

Support the SPF beneficiary in meeting the audit trail requirements

MA should support the SPF beneficiary in establishing a clear-cut approach to the audit trail (the SPF beneficiary is accountable for the Fund but a common logic might help both sides, i.e. the MA and the SPF beneficiary)

SPF news

Some SPFs are already up and running

Interreg Alps – Lake Constance - Upper Rhine (**ABH**) supports two models of SPFs

- International Conference for Lake Constance (**IBK**): a ‘traditional’ SPF
- Science Alliance for 4 Countries’ Region (EGTC): SPF for cross-border cooperation to develop and implement new curricula

Features **SPF IBK**

3 project models

Model 1: 20% FR for staff, 15% FR overhead, 5% FR travel plus external expenditure

Model 2: Staff (unit cost) and 40% FR

Model 3: Draft budget

Selection

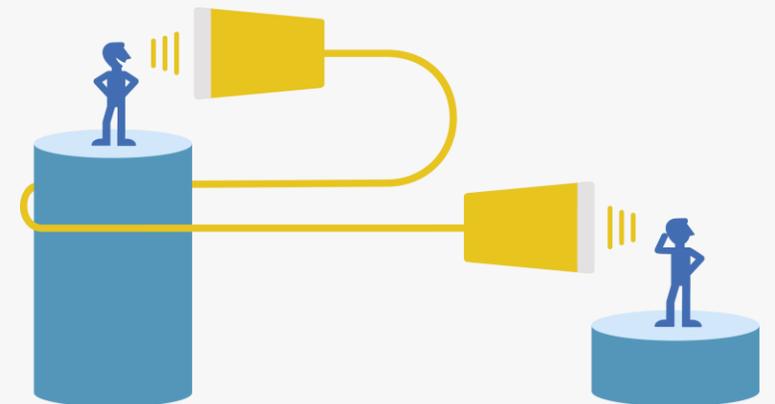
Selection committee consists of 5 voting members (1 IBK, 4 countries) and 2 observers (JS, IBK) average meetings last 2.5 hours; trust and good preparation of meetings (comprehensive checklist per project as basis for decision-making)

Size, management

Total budget: 2 MEUR (evt. option to increase); 0.6 FTE in management + support from CEO and deputy – in particular during phasing-in and prior to selection) ; 20% do not cover actual cost ...

Practical reflections on the SPF model

Ellen Vanbecelaere - Interreg V Flanders -
the Netherlands

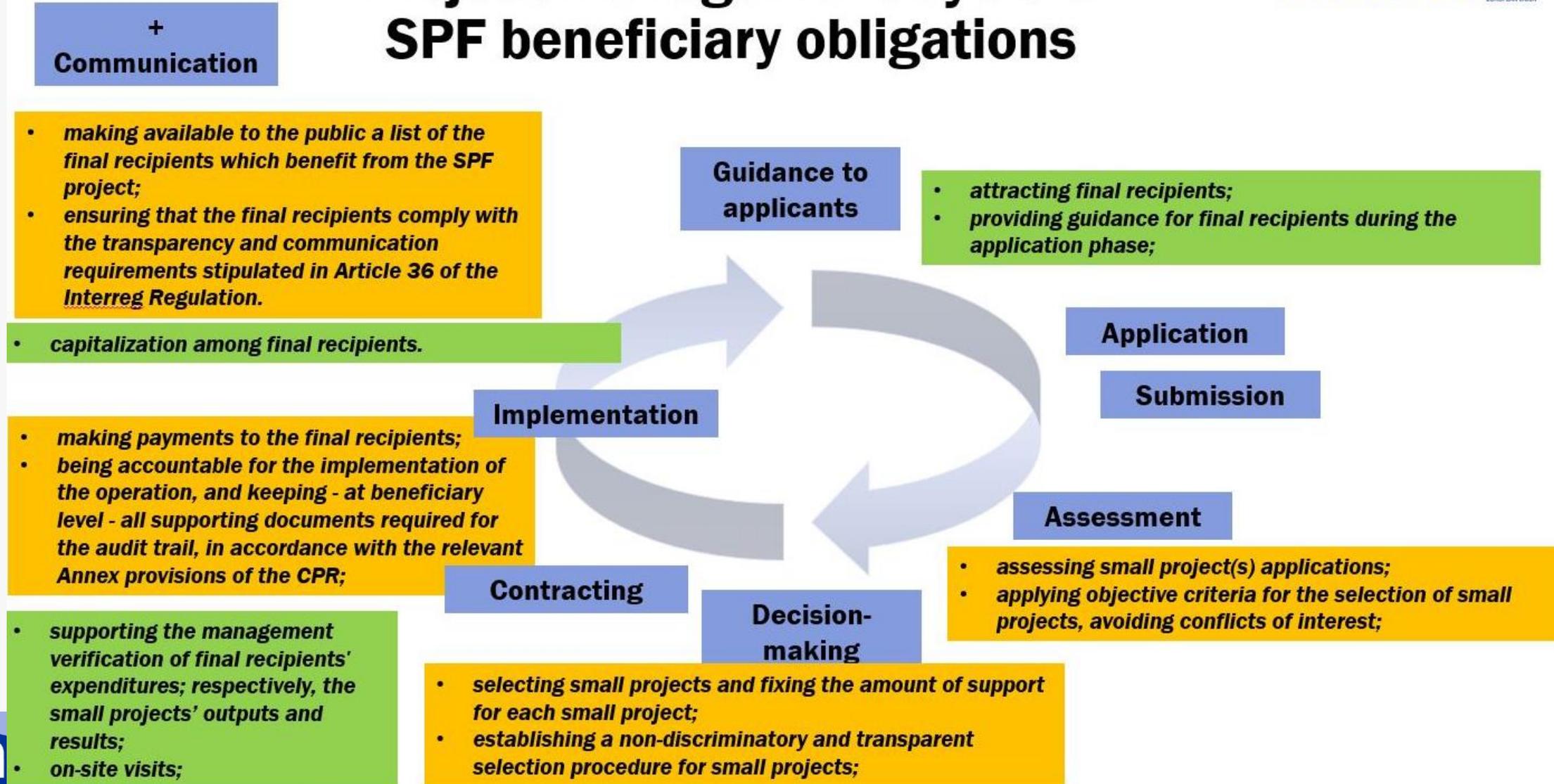


Questions & Answers



PLC in SPF – Challenges & possible solutions

Project Management Cycle & SPF beneficiary obligations





SPF Model

Focus on management verifications
and audit

❖ Who, when, and how



Points of departure

- ✓ An SPF is an operation (whole SPF) with a single project partner (an SPF beneficiary)
- ✓ Small projects are not an "operation" in the meaning of Article 2(4) CPR
- ✓ SPF budget consists of 2 pots: management costs of an SPF beneficiary and small projects
- ✓ 2 levels of control: at the SPF beneficiary level and small projects
- ✓ Mandatory use of SCOs for small projects below EUR 100 000 public contribution
- ✓ Real costs in small projects (above EUR 100 000 public contribution, below the ceiling but with real costs for basis costs of flat rates)
- ✓ AOB (more than one SPF, the experience of SPF beneficiary, SCOs in management costs of an SPF beneficiary)

Reminders on clarifications from the EC

1. Management costs of an SPF beneficiary (Article 25(5) IR: “should not exceed 20% of the total eligible cost of the SPF(s)” – it is not a flat rate but a ceiling (SPF 100%: at least 80% - small projects and up to 20% - for management costs of an SPF beneficiary)

2. Off-the-shelf SCOs can be used for both management costs of an SPF beneficiary and small projects (by analogy where Interreg or CPR refer to “the operation”).



SPF Model – Management verifications



Control model of an SPF

MA

Develops a methodology for risk-based management verifications in the programme (incl. SPF)

SPF
beneficiary

Controller of an SPF beneficiary (MS where SPF beneficiary is located)

- Checks management costs of an SPF beneficiary applying the risk-based methodology of the MA

Small projects

Controllers (where final recipients are located)

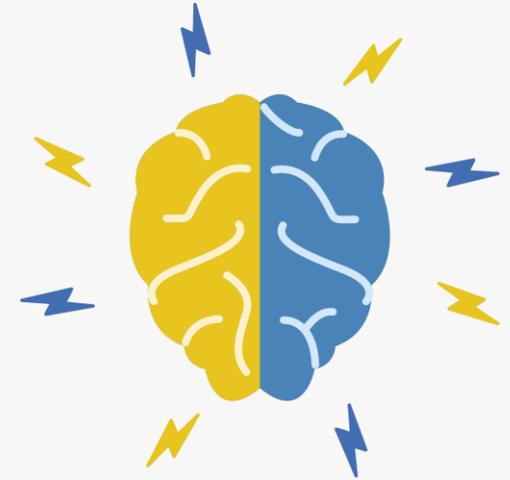
- Check small projects (real costs and SCOs) (applying risk-based methodology)

SCOs in an SPF – 3 scenarios

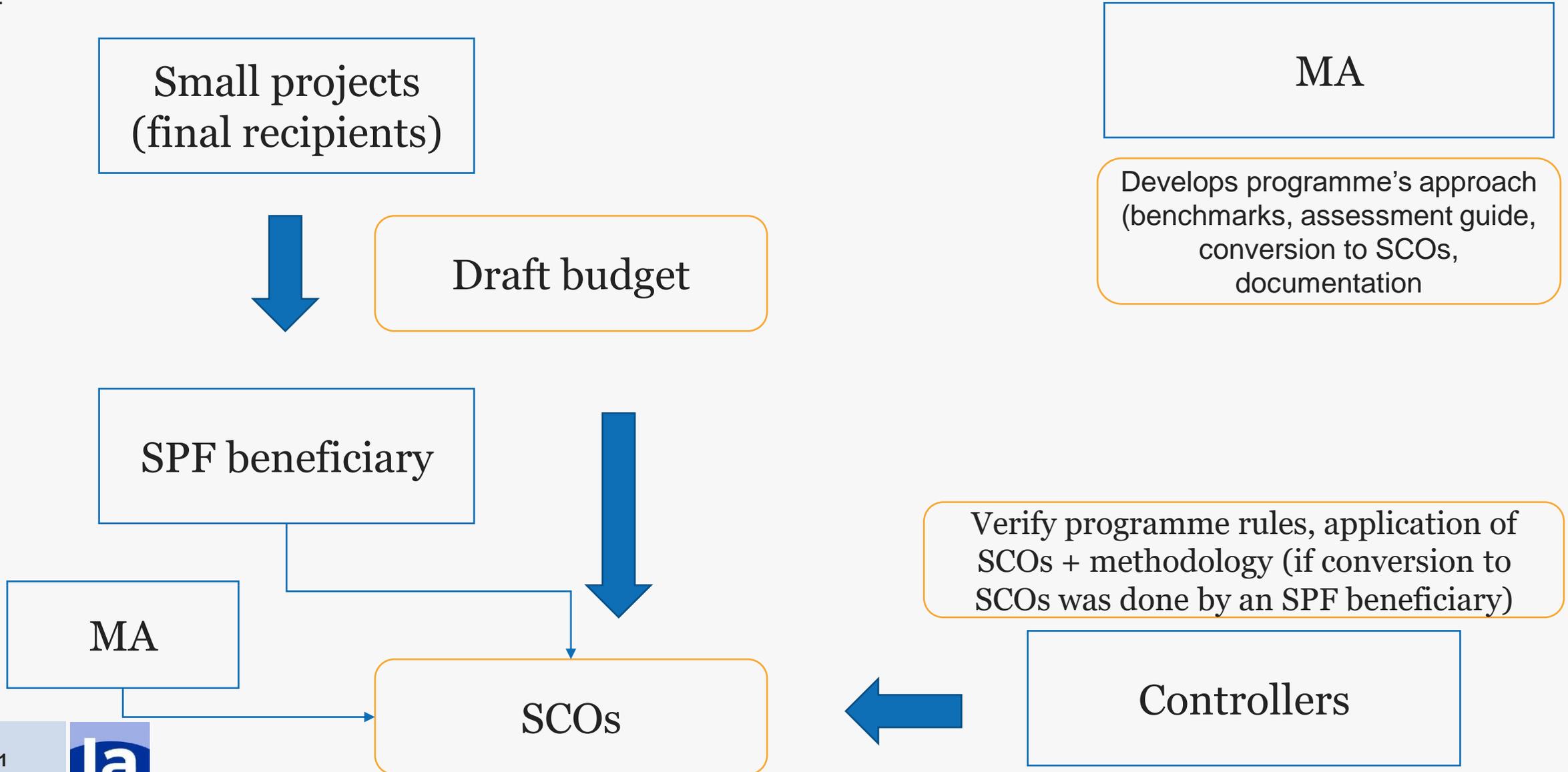
- ✓ **MA – responsible for SCOs in relation to beneficiaries (not final recipients!):**
 - ✓ MA establishes SCOs for final recipients (although no such obligation) >>> controllers of final recipients check whether the SCOs established by the MA are used (without deviations) + SCOs application
- ✓ **SPF beneficiary establishes SCOs for final recipients:**
 - ✓ Controllers check the SCOs established by the SPF beneficiary (methodology) + SCOs application
- ✓ **SPF beneficiary checks the draft budget, but the MA establishes SCOs for final recipients:**
 - ✓ Controllers check programme rules (as the MA asks the beneficiary to control the draft budget in line with sound financial management or more detailed rules) + SCOs application.

SCOs in an SPF – Sum up

- ✓ If the **SPF beneficiary sets up SCOs (partially or fully) for final recipients**, then the controller has the right to check also the methodology as the SPF beneficiary follows a programme rule to do so (in that case, the SPF beneficiary should have in the grant agreement at least the task to set up these SCOs in line with sound financial management)
- ✓ If **MA sets up SCOs for final recipients**, then the controller checks whether SCOs used in small projects are in line with programme rules + application of these SCOs



Draft budget method - example

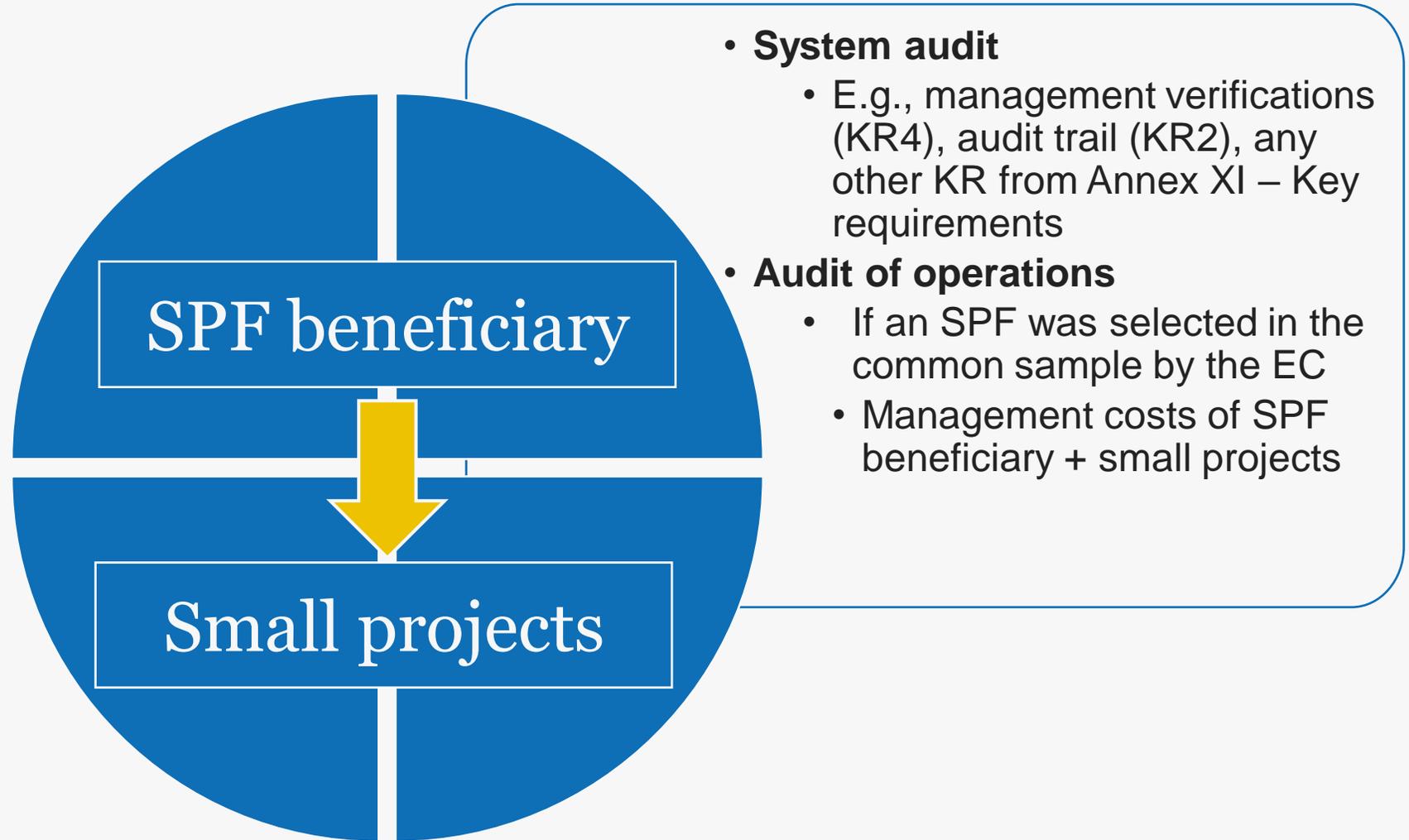




SPF Model – Audit

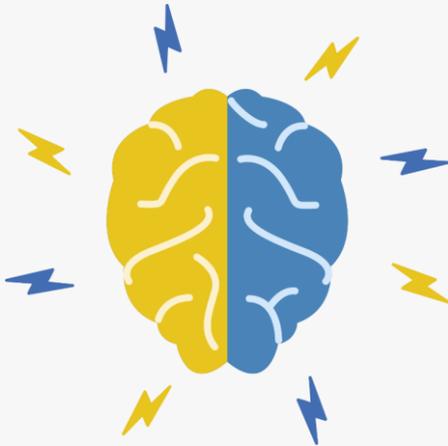


Audit of an SPF - AA



Tips for a lean control system of an SPF

- ✓ **Small projects implemented fully via SCOs:**
 - ✓ Verifications are limited to the delivery of pre-agreed outputs/ results (done by SPF beneficiary/ controllers – per an agreement between the MA and SPF beneficiary)
- ✓ **It's recommended that the MA develops clear guidance on how the draft budget method is used by an SPF beneficiary** (assessment guide, ensuring consistency and coherence, equal treatment)
- ✓ **Risk-based approach for verification of management costs of an SPF beneficiary is required by Regulations!**
- ✓ Verification of small projects (controllers/ SPF beneficiary; risk-based or not) is not regulated by the Regulations – up to the programme to set-up the system



Control system in an SPF



- Have you considered an SPF in your methodologies for risk-based management verifications? Is the approach the same or any different for an SPF?
- Are there any specific risks for an SPF(s)?
- Small projects: with or without real costs



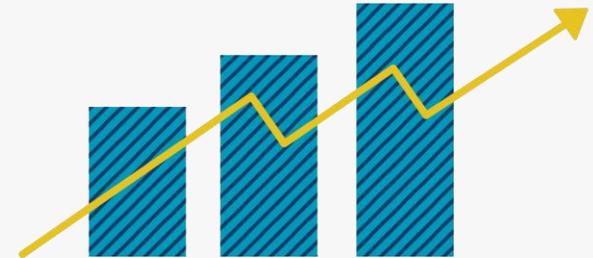
What's to come?



Focus in 2023/2024

- Management verifications of SCOs
- Draft budget method
- SPF and small projects
- Audit of SCOs methodologies – findings
- Adjustment methods

+ Brand-new project in 2024 – Training programme “**Plunging into SCOs**”



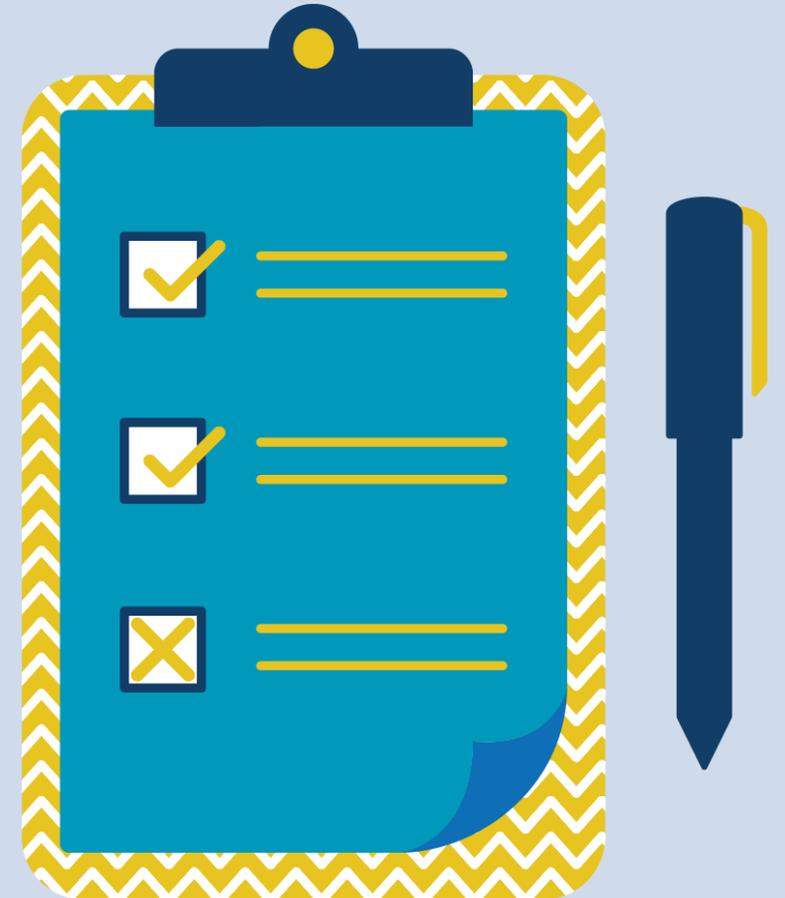
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Cooperation works

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