

Annex 2 - Small Scale Projects

The programme bodies intends to contribute to simplification for beneficiaries, especially the small organisations, while using one of the foreseen **simplified cost options** (SCOs). At the same time the Programme intends to test innovative financing options, also in compliance with the proposals for regulations 2021-2027 newly issued by the European Commission (see ETC Regulation, Small Project Fund).

Project proposals may be submitted as “**Small Scale Projects**” defined by the following restricted rules.

The Managing Authority, in consultation with the Joint Monitoring Committee, reserves the right to amend the terms for the Small Scale Projects at the time of publishing the call.

Where not specified, the general rules of the call are valid.

1. PROVISIONAL FINANCIAL ALLOCATION FOR SMALL SCALE PROJECTS

The overall provisional financial allocation for the 4 priority axes, as Small Scale Projects is as follows:

| Axis | IPA Contribution (85%) | National Contribution (15%) | Total (100%) |
|-------------------|---------------------------|-----------------------------------|---------------------|
| 1 Competitiveness | 85.000,00 | 15.000,00 | 100.000,00 |
| 2 Tourism | 295.517,90 | 52.150,22 | 347.668,12 |
| 3 Environment | 476.812,27 | 84.143,34 | 560.955,61 |
| 4 Transport | 417.669,83 | 73.706,44 | 491.376,27 |
| TOTAL | 1.275.000,00 | 225.000,00 | 1.500.000,00 |

Please note that for P.A. 3, S.O. 3.1. it is not possible to submit project proposals, as the entire amount of P.A. 3 is allocated to S.O. 3.2. energy efficiency.

The participating countries represented at the Joint Monitoring Committee may decide to change the final financial allocation for the Small Scale Projects before publishing the call.

Pre-financing and payments



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Pre-financing 30% of IPA contribution by signature of subsidy contract. **Offset of pre-financing with the final payment.** Private lead partners shall be required to provide a financial guarantee for the pre-financing.

According to the reimbursement principle, the partners shall have financial capacity to advance all costs, which shall be reimbursed upon the foreseen verifications.

For Small Scale Projects, an interim payment shall be released after the achievement of the first of two fixed milestones:

- 1) The first milestone is achieved upon the complete delivery of the first output or outputs planned, being workshops/seminars/conferences or Incoming missions & B2B meetings, completed at the end of the reporting period. The interim payment should be equal to the lump sum amounts for the delivered outputs;
- 2) the final payment will be released after the achievement of the second and final milestone, which is the complete delivery of all planned outputs.

The output delivery is considered completed after the follow-up of the concerned meetings is concluded, including the provision of sufficient documentation related to the achievement of the meeting expected results. If the output delivery is not completed, because the meeting expected results have not been achieved, the related part of the interim or final payment may not be released. If there is a clear evidence that meeting results are achieved only partially, the Managing Authority reserves the right to proportionally reduce the amount, upon consultation of the concerned partner.

Open ranking list

The outcome of the project selection shall be an open **“Small Scale Projects” ranking list**, which is going to be valid until all funds of the programme are absorbed. This means, that in case funds become available in a specific objective, e.g. because of project savings or thematic project allocation not fully absorbed, the next project of the list is going to be financed.

De- commitment targets

See general rule.

Eligibility rules

The dedicated **Small Scale Projects** grants shall exclusively take the form of reimbursement of eligible costs declared by beneficiaries on the basis of a **lump sum**.

Several lump sums could be combined to cover different activities, and to contribute to the total amount of the project.

In compliance with art. 67 (4) of CPR Reg. (EU) No. 1303/2013 small scale projects implemented **exclusively** through public procurement are not admitted¹.

Other than the documentation to prove the reality and existence of the output, no supporting documents have to be provided for the real costs during the reporting. Therefore emphasis is put on the output, to prove that activity took place in the planned way. Once the activity has taken place it will be reported. If the output for the activity is reached completely, the project will be reimbursed with the full amount that was budgeted.

¹ To the application form applicants are required to attach an indicative procurement plan and an indicative list of internal staff of each beneficiary, who is going to be involved in the development and implementation of the project. The evidence that beneficiary's staff contributed to the delivery of outputs is going to be verified (e.g. in the signature lists of at least one event).

The **Small Scale Projects** grants can use lump sum for three typologies of actions as follow:

1. Preparation cost
2. Workshop, seminars and conferences
3. Incoming missions & B2B meetings

1. Preparation Cost

According to Article 2(1) of Regulation 481/2014, eligible expenditures shall relate to the costs of initiating or initiating and implementing an operation or part of an operation. Approved Projects are entitled to receive reimbursement of their preparatory costs (as considered as initiating costs of an operation) in the form of a lump sum in the total amount of **EUR 5.000€** (including IPA contribution and national co-financing).

Preparatory costs lump sum may cover costs of:

- meetings between potential partners,
- related staff costs,
- travel costs,
- external expert costs for preparation of the documentation,
- studies,
- translation of documents,
- consultations
- and any other cost related to the preparation of the operation activities carried out before signing the Subsidy Contract/Partnership Agreement.

Only one lump sum of this type of activity can be allocated per project. The lump sum will be included in the Application Form within the budget of the Lead Partner, in order to be reimbursed to the Lead Partner.

Management verifications

The objective of management verifications in case of the project preparation lump sum is to verify that project preparation occurred in reality, i.e. that it existed.

The proof that the project was prepared is the submission of the application form and its compulsory attachments, filled in in all its parts, as required. To produce this concrete output, the project partners must have carried out a number of preparation activities.

The verification of the Application Form occurs:

- At eligibility check, which requires that 2 assessors at the JS and the National Info Points in Albania and Montenegro check completeness of the application, among other aspects;
- At quality assessment, which requires that 2 assessors at the JS and the National Info Points in Albania and Montenegro assess the content and quality of it;
- During the contracting phase and before the project start date, where an active cooperation of the Lead Partner staff with the JS and Managing Authority takes place, e.g. to collect signatures, add the information required in the eMS, etc.;

- At reporting, which requires that the persons of the JS and of the Managing Authority in charge confirm the existence of the application form.

Instead of the National Controllers, the Managing Authority, supported by the JS and the National Info Points, is performing and confirming the verification of reality and existence.

2. Workshop, seminars and conferences

The eligible costs are linked to the organisation of events, meetings, seminars, conferences, debates, in particular costs relating to organisation, renting rooms, interpretation, travel, subsistence and accommodation.

The categories of eligible costs to be declared on the basis of the lump sum “Workshop, seminars and Conferences” are:

- executive planning of the event (staff cost + external expertise)
- logistical assistance
- fee for speakers, including travel and accommodation
- rental services and setting up locations
- kit-event realization
- hostess service
- interpreter service
- catering service
- operational secretary, including travel and accommodation
- preparation and implementation of the promotion campaign for the event
- event follow-up (reporting, evaluation, press releases, etc.)

Projects are entitled to receive reimbursement in the form of a lump sum in the total amount **set in the table below, relating to at least 1 day and at least 40 participants event.**

During the preparation, implementation and follow-up of the meetings the partners shall prove that sufficient quality standards are ensured (e.g. involving qualified experts, facilitators, ensuring sufficient services for participants, outcomes of the meeting duly documented, participants satisfaction questionnaire, etc.), which allows for achieving the project goals, outputs and results. This means that the Joint Secretariat shall be in the position to verify with project reports that the outputs and results are achieved in the expected quality in a reasonable way. In particular, an assessment by participants (through questionnaires e.g.), or external experts, or equivalent, is required.

Management verifications

The objective of management verifications in case of the workshop, seminar and conference lump sum is to verify that these events occurred in reality, i.e. that they existed.

The proof that the events took place, as output of a number of activities performed by the beneficiaries, is verified:

- during the implementation phase, i.e. the JS and National Info Points staff are invited to participate in all events planned with at least one month notice. At least at one event per project, and without prior notice, a member of the JS and National Info Points shall on-the-spot verify the existence of the event and fill in a report to be uploaded with the concerned project report;
- at reporting, i.e. the persons in charge at the JS and at the Managing Authority shall verify the event documentation and request additional proof, if needed.

Event documentation shall be produced and uploaded with the project report and include at least:

- Documents produced during the preparation of the event: Agenda, invitation, participant lists, event poster, news, etc.. A sufficient evidence shall be provided in order to prove to a reasonable extent that the events was well prepared and communicated beforehand.
- Documents produced during the event: Signature lists, photo and video materials, social media coverage, etc.. A sufficient evidence shall be provided in order to prove to a reasonable extent that the events took place.
- Documents produced after the event: Minutes, Summary, Conference proceedings, meeting evaluation forms filled in, etc. A sufficient evidence shall be provided in order to prove to a reasonable extent that the events was followed-up on.

Instead of the National Controllers, the Managing Authority, supported by the JS and the National Info Points, is performing and confirming the verification of reality and existence.

3. Incoming missions & B2B meetings

The categories of eligible costs to be declared on the basis of the lump sum “Incoming mission & B2B meetings” are:

- incoming activities, including travel and accommodation
- logistical assistance for operators of economic activities
- rental services and setting up locations
- hostess service
- interpreter service
- catering service
- operational secretary, including travel and accommodation
- preparation and implementation of the promotion campaign for the event
- event follow-up (reporting, evaluation, press releases, etc.)

Projects are entitled to receive reimbursement in the form of a lump sum in the total amount **set in the table below, for at least 10 economic operators.**

During the preparation, implementation and follow-up of the incoming missions and B2B the partners shall prove that sufficient quality standards are ensured (e.g. involving qualified experts, ensuring sufficient services for participants, outcomes of the meeting duly documented, participants satisfaction questionnaire, etc.), which allows for achieving the project goals, outputs and results. This means that the Joint Secretariat shall be in the position to verify with project reports that the outputs and results are achieved in the expected

quality in a reasonable way. In particular, an assessment by participants (through questionnaires, e.g.), or external experts, or equivalent, is required.

Management verifications

The objective of management verifications in case of the incoming missions & B2B meetings lump sum is to verify that these events occurred in reality, i.e. that they existed.

The proof that the events took place, as output of a number of activities performed by the beneficiaries, is verified exactly like for the workshop, seminar and conference lump sum.

Instead of the National Controllers, the Managing Authority, supported by the JS and the National Info Points, is performing and confirming the verification of reality and existence.

Applicable lump sum amounts

In order to take into account the different costs of living in the three countries, adjustments are necessary through the application of a country correction coefficients.

Using country correction coefficients, the Lump Sums of Workshop, seminars and conferences and Incoming missions & B2B meetings, become respectively²:

| | Italy Total (IPA contribution + National co-financing) | Albania Total (IPA contribution + National co-financing) | Montenegro Total (IPA contribution + National co-financing) |
|---|---|---|--|
| Workshop, seminars and conferences | EUR 17.000 | EUR 12.000 | EUR 11.000 |
| Incoming missions & B2B meetings | EUR 21.000 | EUR 15.000 | EUR 13.000 |

Costs declared as a lump sum shall be eligible if they correspond to the lump sum set out in the estimated budget for the activity and if the corresponding tasks or parts of the action have been properly implemented in accordance with Application Form.

Each lump sum should be named with a unique, identifiable name; the same name should be used in the project budget.

Detailed information should be given on the content and costs foreseen for the lump sum, per work package and beneficiary.

Each beneficiary must certify that:

- the information provided is full, reliable and true;
- the work packages have been completed and that the action in general has been properly implemented;

² Please note that these amounts might have minor, but non-substantial re-adjustment, as a consequence of the audit opinion.

- the proper implementation can be substantiated by adequate records and supporting documentation that will be produced upon request or in the context of checks, reviews, audits and investigations.

2. PROJECT PARTNERS

The **total number of partners must not exceed three (3) including the Lead Partner**³.

Projects can also have **associated partners**, taking part to the activities without receiving financing, for a maximum of one per partner.

The partnership has to appoint a Lead Partner, who is responsible for the preparation and submission of the application form.

NGOs and social partners are strongly encouraged to participate.

Limitations for specific partners

Legal entities being universities, research centers / bodies, as well as national ministries or Italian regional authorities⁴, in “Small Scale Projects”, in addition to the other ones, are allowed **to apply as lead partners in maximum one small scale project per specific objective and as partner in maximum one small scale project per specific objective**, i.e. max. 2 projects per S.O. in total, i.e. max. 10 in total. Big organisations -such as Regions, Universities and Ministries- are strongly recommended to use these additional two months to carefully plan and coordinate the project proposals they would like to participate in, in order to avoid that high quality projects are rejected because they are submitted later than poorer quality projects by the same organisation. A possible solution could be to rely on an internal coordination office/person.

After the call closure, the number of applications per legal body of these typologies shall be counted in chronological order of submission and **all applications submitted after the maximum number of projects is reached per partner shall be excluded at the eligibility check.**

3. PROJECT SIZE

A maximum total budget of **EUR 100.000,00** is allowed per project (including EU + national public or private co-financing).

No minimum budget per partner is required, but each partner shall be in charge of at least one of the outputs, for which a lump sum is foreseen.

4. PROJECT DURATION

³ The partnership composition is regulated in article 39 of the IPA IR (EU) No 447/2014, as well as article 12 of ETC Reg. (EU) No. 1299/2013.

⁴ Even though made of several departments or operative branches, the legal entity is considered as a single entity if it is established and operates as one body from the legal and fiscal point of view (e.g. a single VAT / registration number, a single statute, a single balance sheet, etc.). Even though heads of department, faculty, institute etc. might have a power to sign and represent the legal body, it remains one single legal body. Only for the purpose of this limitation, Regione Puglia and Regione Molise are considered as National Ministries in Albania and Montenegro, while local authorities in Albania and Montenegro are not counted as regional authorities.

The project implementation shall not be longer than **12 months**, starting from the project start date, set during the contracting procedure. A prolongation of additional 6 months may be approved by the JMC, if duly justified.

5. APPLICATION FORM

The Application Form is structured according to the following Work Packages:

1. Preparation
2. Implementation

which are compulsory.

Planned sources of verification of the output shall be given by the applicant, i.e. the Lead Partner has to clearly set out what evidence may prove the existence of the set output. For example, if “meeting with a set number of participants” is the output defined, documental evidence may be proposed by the applicant, such as the meeting agenda, minutes, meeting participants and registrants list, photographic material, video material, feedback, i.e. evaluation form by participants, on-the-spot visit by the JS/MA may help to prove that the outputs effectively existed. The applicant shall provide for its own outputs a proposal for verification sources, which shall be part of the subsidy contract and shall be verified by the JS/MA, at reporting.

6. SELECTION PROCEDURE

The proposals will be evaluated according to the standard evaluation procedures with the help of outside experts, if needed. The assessors will assess the quality of the proposals in terms of technological excellence, expected impact and quality and efficiency of the implementation. The assessors will also check the budget estimate and look whether the value of the activities and expected outputs corresponds to the estimated budget and if the resources proposed and the split of lump sum shares allows achieving these activities and expected outputs.

Lump sums operate on a binary approach, and there are no other choices than paying 0% or 100% of the grant. Special attention should be paid that the conditions (e.g., how the reimbursement of costs can be affected if the conditions have not been fulfilled) are clearly defined in the subsidy contract. If only one input/output to be financed via a lump sum is indicated and that input/output is not delivered, no payment must be made. However, if a number of milestones (such as the 50% specified above) as intermediary steps for the input/output are defined, it is possible that partial payments of the lump sum can be made according to the delivery of these milestones.

The estimated lump sum shares indicated cannot be adjusted by transfers of amounts between beneficiaries.

Transfers between work packages are however possible only if:

- the work packages are not already completed (and declared in a financial statement);
- the transfers are justified by the technical and scientific implementation of the action
- a review confirms that the amendment does not call into question the decision awarding the grant or breach the principle of equal treatment of applicants.

7. QUALITY ASSESSMENT

The project proposals are checked against the standard set of quality criteria approved by the JMC.

The criteria B.3. and B.10. are not pertinent for “Small Scale Projects”, so the score for Operational Assessment will be 33, and the total score will be 90 (excl. targeted and JSC criteria).