

21st

European Week of Regions and Cities

Thriving Regions, Stronger Europe

Focusing on concrete results, instead of papers:
Empowering Interreg in the simplification drive -
SCOs in Interreg programmes

10 October 2023

Mont des Arts, Brussels - SQUARE Brussels Meeting Centre

Code 10WS23518 Room: 314+316 at 16:30 – 17:30

#EURegionsWeek



9-12
October
2023





Your questions on slido, #23518

Browse page "sli.do"

Enter code: #23518

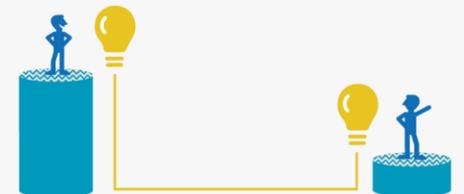
Post questions / vote for your favourite questions



SCOs in Interreg programmes

2014-2020 Programming period

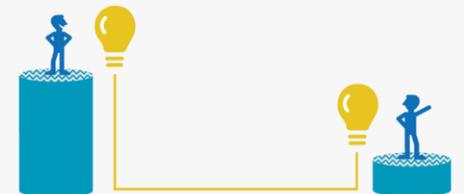
- The most popular:
 - flat rates offered by the common provision regulation (so called off-the-shelf);
 - indirect costs up to 15% of staff costs (over 60 programmes);
 - direct staff costs up to 20% of direct costs other than staff (over 40 programmes);
 - remaining eligible costs up to 40% of direct staff costs - 9 programmes (introduced in 2018);
 - Preparation costs lump sum (~30 programmes).



SCOs in Interreg programmes

2014-2020 Programming period

- Interesting:
 - Unit costs
 - staff costs (20 programmes) one for a member state/ functional groups;
 - events (per participant); unit per pupil school year; unit per sample (R&D); - PEACE.



Hourly rate (unit cost) per country



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Table 8 The hourly rate per country

Country	Hourly rate	Currency
Denmark	374	DKK
Estonia	29	EUR
Finland	36	EUR
Germany	48	EUR
Latvia	24	EUR
Lithuania	22	EUR
Norway	546	NOK
Poland	92	PLN
Sweden	501	SEK

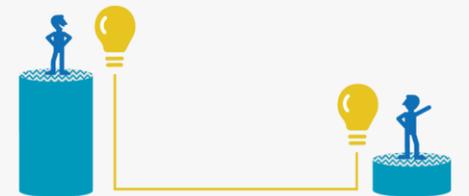
Unit costs for staff (functional groups)

Staff with management Functions Performance Group 1	11.3%	€ 68/h	(9.350 € / month)
Academic staff Performance Group 2	27.4%	€ 51/h	(7.012 € / month)
„Higher“ operative staff Performance Group 3	42.9%	€ 36/h	(4.950 € / month)
Operative personnel Performance Group 4	14.6%	€ 28/h	(3.850 € / month)
Semi-skilled staff Performance Group 5	4.7%	€ 15/h	(2.062 € / month)

SCOs in Interreg programmes

2014-2020 Programming period

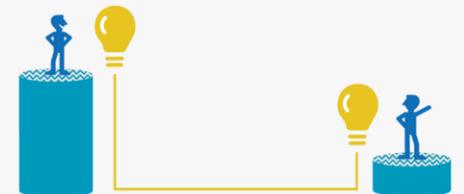
- Interesting:
 - Lump sums:
 - small projects, seed money projects;
 - events (workshops, seminars, conferences, B2B meetings);
 - project's closure;
 - implementation phase of an Action plan.



SCOs in Interreg programmes

2021-2027 Programming period

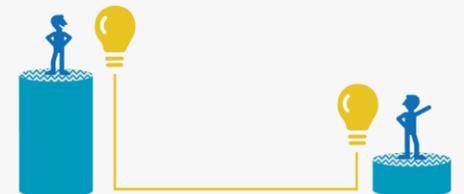
- General observations:
 - Majority of Interreg programmes use off-the-shelf SCOs:
 - up to 15% flat rate for office and administrative costs;
 - up to 15% flat rate for travel and accommodation (new in 2021-27)
is widely used!;
 - up to 20% flat rate for direct staff costs;
 - up to 40% flat rate for remaining eligible costs;
 - lump sums for preparation costs.



SCOs in Interreg programmes

2021-2027 Programming period

- General observations:
 - More programmes decide to use their own (programme specific) SCOs:
 - Unit costs (staff, events, purchase of office equipment);
 - Lump sums (organization of events, for small projects – draft budget methodology (project specific lump sums));
 - Flat rates – for management of Small project Fund;
 - Reusing from other Union policies (e.g. CERV).



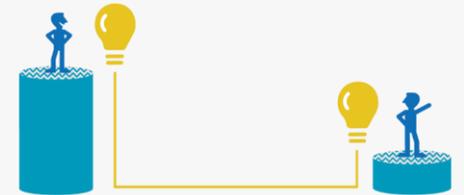
SCOs in Central Europe

	PARTNER BUDGET OPTION 1	PARTNER BUDGET OPTION 2	PARTNER BUDGET OPTION 3
Preparation	Lump sum for preparation and contracting costs		
Project Implementation	CC 1 Real costs	CC 1 flat rate 20% of other direct costs	CC 1 Real costs
	CC 2 flat rate 15% of CC1	CC 2 flat rate 15% of CC1	All other CCs Flat rate 40% of CC1
	CC 3 flat rate % of CC1 (% is country specific)	CC 3 flat rate % of CC1 (% is country specific)	
	CC 4 Real costs	CC 4 Real costs	
	CC 5 Real costs	CC 5 Real costs	
	CC 6 Real costs	CC 6 Real costs	
Closure	Same as option chosen for project implementation phase		

SCOs in Interreg programmes

2021-2027 Programming period

- Article 94 SCO in Interreg :
 - 6 Interreg programmes submitted schemes to the EC:
 - schemes for 3 programmes – formally and adopted;
 - schemes for 3 programmes – ongoing.
- Expenditure covered by 3 approved programmes – EUR 211m (EU + national contribution)



Practical reflections

- Decide in advance which SCOs are the best for your programme
 - set-up of certain types require significant time and resources;
- Assemble early enough and maintain during implementation period a dedicated team(task force);
- Cooperate closely with all institutions involved (controllers, audit authority) and beneficiaries;
- Dedicate more than enough time to explain and communicate SCOs to institutions and applicants/beneficiaries;
- Think about all processes – PCL approach;
- Don't forget to consider methodology adjustments (if necessary);
- Require some work first, pay-off(s) (though not always visible from day one) comes later during assessment and implementation phase.



Practical reflections

- SCOs can vary from call to call; more than 1 reimbursement option for the same cost category is possible (each partner chooses a single option!);
- The common practice is that a programme offers one reimbursement method per cost category BUT in some cases and where it makes sense a programme can offer more than one method;
- Offer only those methods that are absolutely needed – the more options offered, the more mistakes and more cumbersome for projects to implement;
- OTS flat rates ‘up to’ give space for flexibility – the maximum rate is not always needed.



When lump sum when unit costs for events organisation

Lump sum events



- ✓ at least 1 day/ at least 40 participants event
- ✓ covering e.g. but not only:
 - 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 /implementation of the promotion campaign for the event
 - event follow-up (reporting, evaluation, press releases, etc.)



Advantages for programme authorities

- Focus on outputs and results;
- Facilitate access of new/small beneficiaries;
- Reduction of administrative burden;
- Simplification and streamlining of processes (assessment and selection, implementation, management verification);
- Simpler audit trail;
- Lower error rate at the programme level.



Points of attention for programme authorities

- Requires ex-ante analysis and decision;
- Design of some SCOs is time and resource consuming;
- Mistakes in own methodologies might be costly;
- Double financing/clearly defined cost categories;
- SCOs too far from market reality or wrong combinations of SCOs might be not attractive to some type of beneficiaries;
- Communication and 'switching' takes time.



Advantages for beneficiaries

- Simplified project planning;
- Faster award decision;
- Simpler and faster reimbursement of expenditures;
- Reduction of administrative burden.



Points of attention for beneficiaries

- Careful ex-ante output(s) and budget planning;
- Careful risk analysis;
- Limited options of project changes;
- Binary approach of lump sums.



Interact



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