

**Interreg**



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# IPA FINANCIAL LAB

## Tirana – 3 December 2024

Interreg IPA South Adriatic programme 's SCOs

**Antonio Agrosi, Joint Secretariat**

# ADVANTAGES for Programme Authorities and Beneficiaries



- Focus on outputs and results
- Simplification of processes (*assessment and selection, implementation, management verification*)
- Simpler audit trail
- More correct use of the funds (lower error rate) at Programme level

# ADVANTAGES for Programme Authorities and Beneficiaries



- Less workload on project proposal and preparation
- Facilitate access of small beneficiaries
- Reduction of administrative burden
- More flexible financial management within the partnership

## PRACTICAL TIPS

# Interreg IPA South Adriatic Case study



- **Initial Effort for Future Benefits:** SCOs require extra work initially, the pay-offs come later
- **Plan SCOs Strategically:** Choose which SCOs are best suited for your Programme
- **Early Team Set-up:** Set up a dedicated team well in advance
- **Collaborative Approach:** Cooperate closely with all involved institutions, including **controllers, audit authorities, and beneficiaries**

## PRACTICAL TIPS

### Interreg IPA South Adriatic Case study

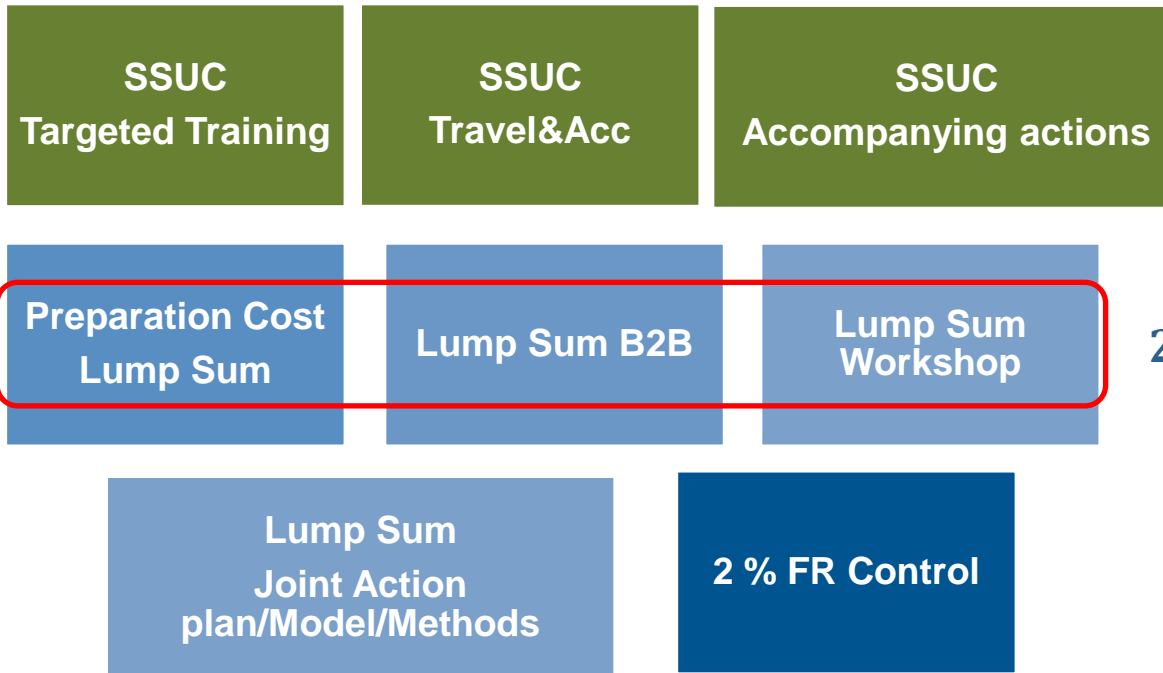


- **Adapt Methodologies:** Be open to adjustments in your methodologies as needed
- **Clear Communication:** Dedicate ample time to explain and communicate SCOs to institutions and beneficiaries

# Simplified costs & Small-scale projects: 2021-2027 new SCOs



**Small-scale projects: max 200.000 €, financed only through SCOs**



**2014-2020**

# Where we are

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- **Development of methodologies: Completed**
- ✓ Historical data collection of 2014-2020 projects from eMS (LS Action Plan), and from FLC (SSUC Staff Cost & FLC cost)
- ✓ Assessment of the quality relevance of the data (certified data)
- ✓ Statistical processing of the data
- ✓ Description of the calculation method, including key steps of the calculation
- ✓ Formulation of the management verifications

# Where we are

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### ➤ **Indexation of amounts**

- ✓ Update amounts through the calculation of the converting coefficients for the Consumer Price Index of Italy, Albania and Montenegro: **Completed**

### ➤ **Collaborative Approach**

- ✓ Calculation methodologies discussed and verified with AA of the Programme: **On going**

### ➤ **Update of the Programme on SFC**

- ✓ Formal submission of the Programme modifications: **Submitted**



# Where we are: Example

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- **Lump Sum for Joint Action Plan / Model/Methods (ApMM)**
- ✓ Typical activities: joint models, procedures, innovative methodologies/tools, strategies and action plans, feasibility studies, agreements, etc. or a combination of these
- ✓ Collection of statistical historical data related to similar activities amounts as reported and **certified** in 25 out of 32 projects of the 2014-20 1st Call for Standard Projects
- ✓ The data was collected from 2018 to the early 2021, therefore an indexation has been calculated and applied

# Where we are: Example

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### ➤ Key steps for the calculation:

- ✓ For each project, identification of the database with historical data of the costs related to the development of ApMM per each country of origin of the beneficiaries
- ✓ Calculation of the average costs by country and the related standard deviations
- ✓ Removal of outliers from the sample:  
$$x > \text{average} + \text{st.dev.} * 1 \quad \text{AND} \quad x < \text{average} - \text{st.dev.} * 1$$
- ✓ The average amounts per country were finally calculated using the new interval of data, and the statistical variation coefficient (CV) verified to be well below 50%

# Where we are: Example

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### ➤ **Management verifications:**

Proofs of the activities performed by each beneficiary (maximum one per eligible area) will be checked on the basis of at least four compulsory documents

- 1) **Analysis**, aimed at assessing the context or starting situation (e.g. feasibility study, gap analysis, context analysis, data collection and assessment, etc.)
- 2) **The ApMM**, aimed at improving effectiveness of the analysed processes (e.g. management model, process, procedure, application, etc.)
- 3) **Testing of the ApMM**, aimed at ensuring that the process may be applied (e.g. web or practical testing, case study or use in a real situation)
- 4) **Partners' commitment to follow up on the ApMM**, aimed at confirming the intention to take-up or adopt the ApMM (agreement, MoU, joint commitment letter, etc.)

# Where we are: 1st call for SSPs

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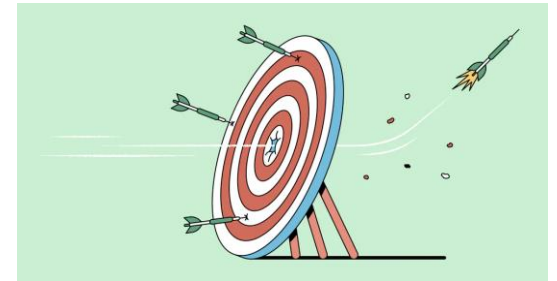
- Projects funded by 8 SCOs
- No other costs allowed
- No reporting on real costs basis
- Maximum 200,000€/project
- Max duration: 12 months

# Where we are: 1st call for SSPs Interreg IPA South Adriatic Case study



N° 128 project proposals

New applicants:  $\approx 50\%$  of 487  
59 out of 249 new beneficiaries



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# Where we are: Critical issues

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- ✓ **Not easy change of mindset** from standard planning to simplified costs
- ✓ **SCOs rules not fulfilled:**
  - ☹ not correct use of the travel&acc. SSUC
  - ☹ forced splitting of complex activities in different LS
  - ☹ some budget planned as real costs rather than SCOs

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# THANKS FOR YOUR ATTENTION

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