

Small Project Fund – 3,2,1 ...Ignition!

Bernhard Schausberger, Grzegorz Gołda/ 9 November 2023

Interact



Co-funded by
the European Union
Interreg

Meeting objectives

- Reminder and Updater
- Sharing interesting SPF practices
- Networking and connecting 😊



Agenda

01

Introduction & updates

02

**Where are we?
– state of play
group work**

03

**New perspectives for
SPF -
testimonials**

04

**Management
verification in
SPF**

05

**Wrap-up and
closure**

06

**Extra –
evaluating SPF**

Working agreements

- Stay 'muted', unless talking;
- Contribute & share;
- Be patient;
- Be open;
- Contributions: use chat/ speak up/ raise e-hand.





Onboarding & state of play



Useful resources



SPF publications

[Fact sheet](#); [Questions & Answers](#)

Slides from previous SPF events

[November 2022](#); [December 2021](#); [June 2021](#); [March 2021](#); [February 2021](#); [February 2020](#); [February 2019](#);

Slides from previous draft budget webinars

[June 2022](#); [September 2023](#)

Slides from IKF session

[May 2023](#)

Interreg Small projects community

[Community](#)

Points of attention – an SPF

SPF = An operation

One or several in the programme.

Max 20% of programme's ERDF (Article 25 of the Interreg Regulation)

SPF beneficiary

Not an intermediate body!

Accountable for the implementation of the operation, responsible for the audit trail.

Small projects & final recipients

Small projects ≠ operations.

Examples of activities: workshops, twinning of municipalities, visitor guidance systems, cycle paths, exhibitions, student/ staff exchange, summer camps, feasibility studies, publications, analysis and concepts.

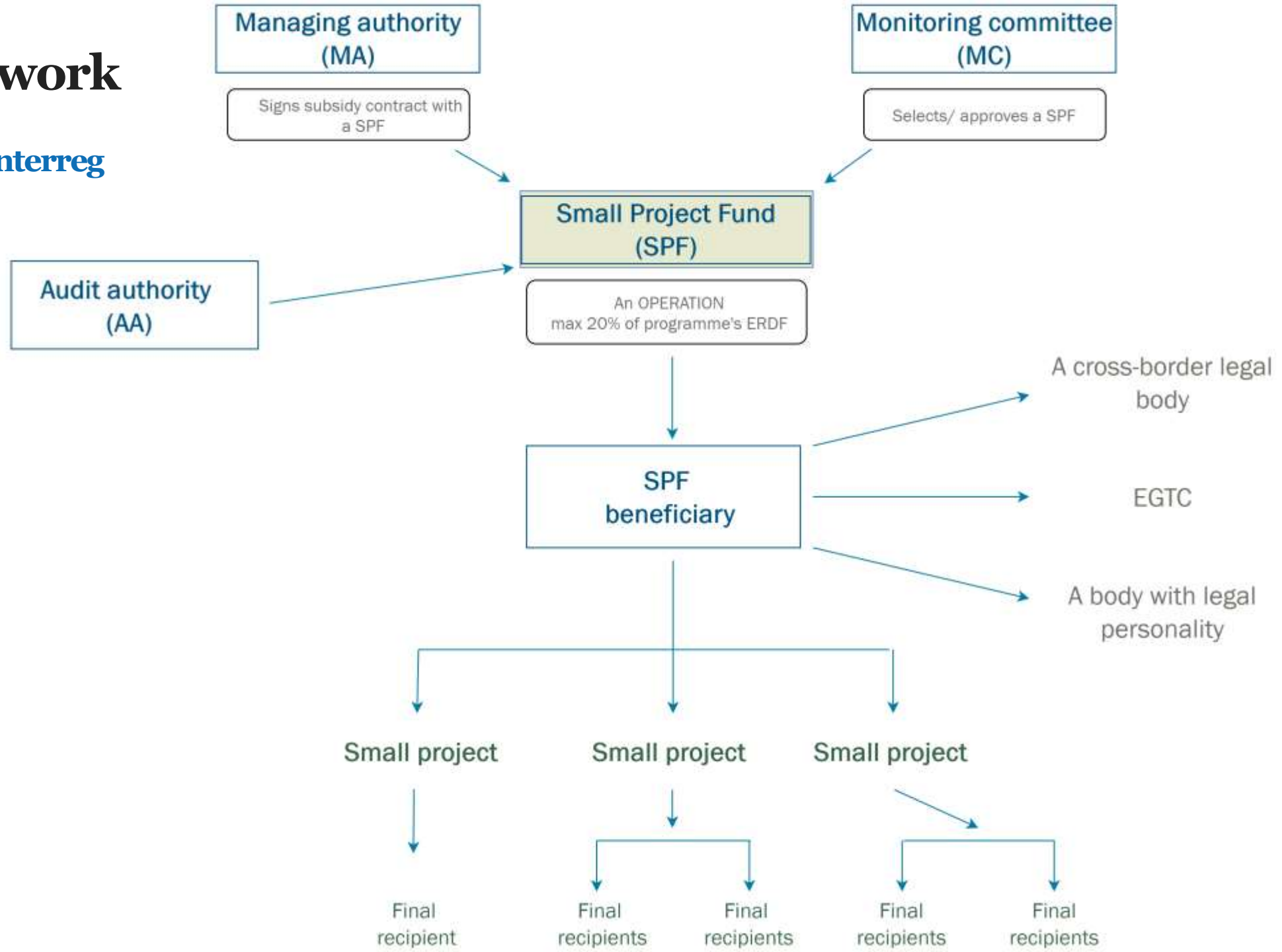
SPF budget composition

2 pots:

- SPF beneficiary management costs (max 20% of the total eligible cost of the SPF(s) – is a ceiling, not a flat rate) ;
- small projects costs.

SPF framework

Article 25 of the Interreg Regulation



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”).

3. The management verifications remain the responsibility of the managing authority (or controllers in Interreg).

SCOs in SPF

Management costs of an SPF beneficiary

- 5 cost categories: staff costs, office and admin, travel and accommodation, external expertise and services, equipment
- Off-the-shelf SCOs can be used (justified as “programme-specific SCOs established based on off-the-shelf SCOs”)

Small projects

- Small projects do not have to comply with all partnership requirements for Interreg projects (Article 23 of the Interreg Regulation)
- Small projects are not operations in the meaning of Article 2(4) CPR
- Small projects below EUR 100 000 public contribution should be implemented via SCOs
- Off-the-shelf SCOs can be used (justified as “programme-specific SCOs established based on off-the-shelf SCOs”)

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. Have a look at the Interact working document - [Annex to the subsidy contract with the SPF Beneficiary](#). 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 mapping

(based on info in point 6 in CP and updates)

- 23 programmes (including 2 IPA);
- several programmes have not committed yet but do not exclude in the future;
- 2 programmes plan to have an SPF and SSP;
- the most popular – ISO1 (18) & PO4 (11);
- 5 programmes – PO1 and PO2;
- PO3 and ISO2 - none;
- most often - either 2(10) or 1 (7) SO(s) have been selected for SPF;
- but 3, 4 or even 13 also happen;
- for more details, check a dedicated [file](#) in the “Small projects” community

Programme	ISO1	ISO2	PO1	PO2	PO3	PO4	SO(s)
Programme 1							
Programme 2							
Programme 3							
Programme 4							
Programme 5							
Programme 6							
Programme 7							
Programme 8							
Programme 9							
Programme 10							
Programme 11							
Programme 12							
Programme 13							
Programme 14							
Programme 15							
Programme 16							
Programme 17							
Programme 18							
Programme 19							
Programme 20							
Programme 21							
Programme 22							
Programme 23							

Legend:
 Yellow: SPF
 Red: SPF and SSP
 Blue: Not yet committed

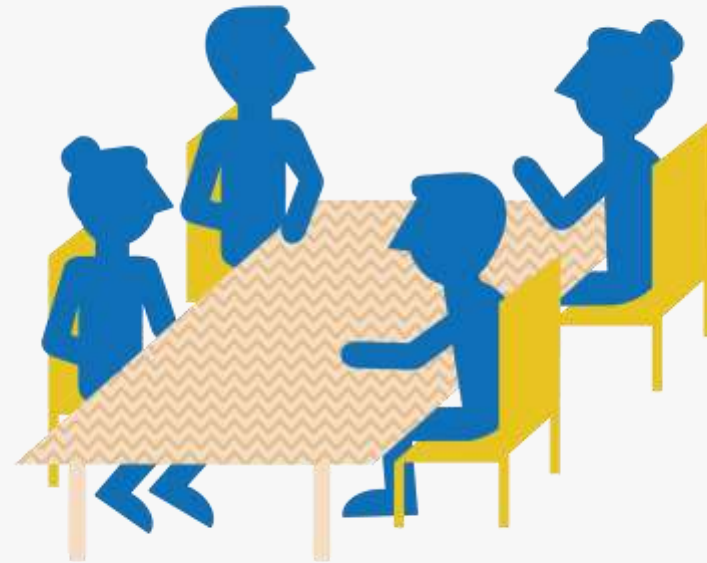
SPF - calls

- 12 programmes have already opened calls for an SPF beneficiary;
- SPF beneficiaries have already opened their (first) calls for final recipients in 8 programmes;
- Different allocations in programmes;
- Different number of SPFs/number of SPFs beneficiaries in a programme;
- Types of SPF beneficiaries;
- Types of small projects;



Let's share

- Timeline: 20 minutes
- Please go to – [Jamboard](#) or use the chat if the link doesn't work;
- Task: 5 questions
- Take notes in the spreadsheet





New perspectives for SPFs



Sharing SPF beneficiary experiences:



Interreg Alpine Rhine-Lake Constance – High Rhine (ABH)

- Katja Heller - IBK

Interreg Italy-Slovenia

- Romina Kocina - EGTC Go

Experience sharing Managing Authority



Interreg IPA Croatia – Bosnia and Herzegovina – Montenegro

Marko Perić





SPF Model – Management verifications



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)

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 or not)

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.

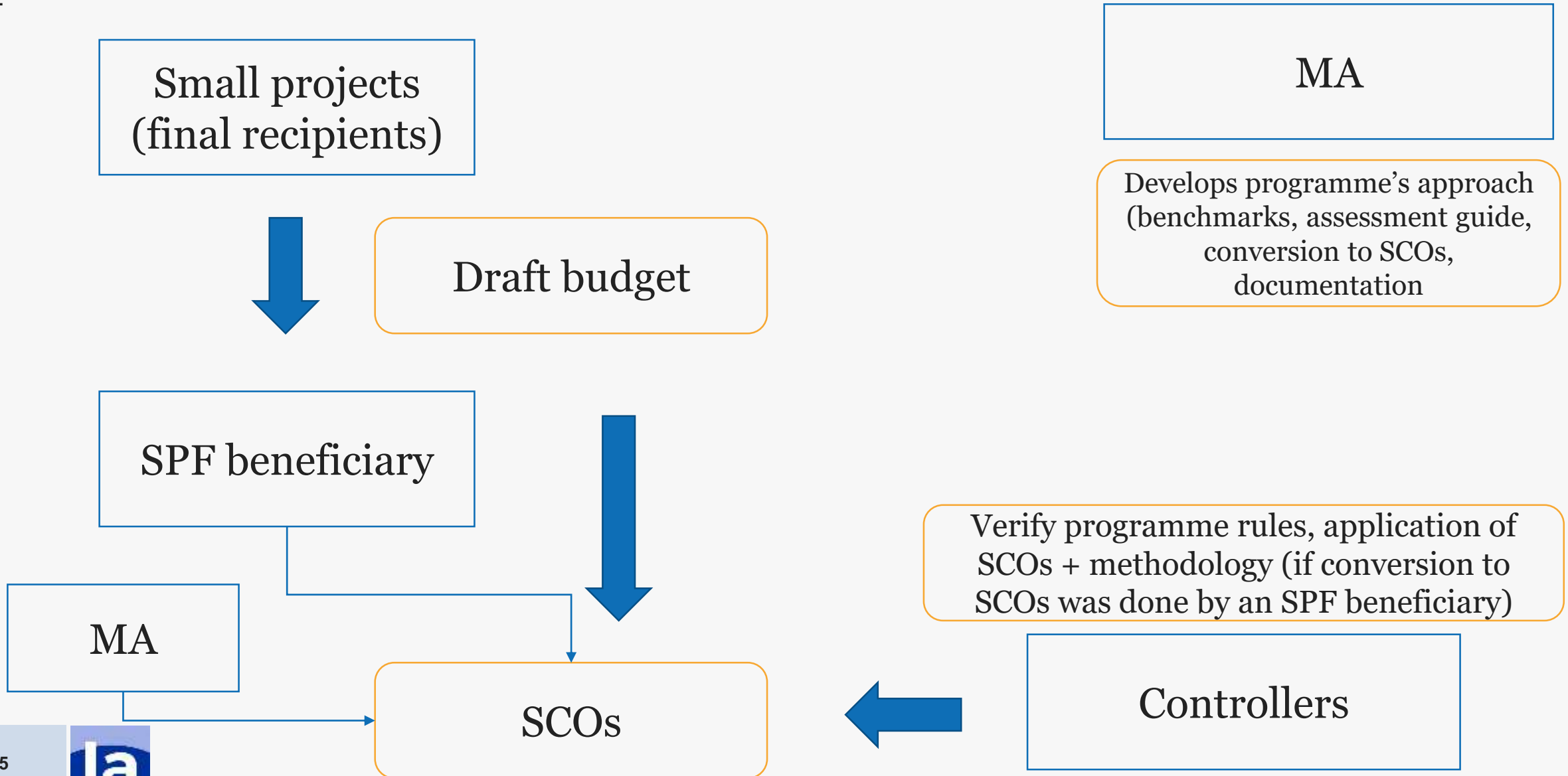
SCOs in an SPF – Sum up

- ✓ 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

OK, but when?



Draft budget method - example





Verification of SCOs

Factsheet: Verification of SCOs. Practical implications of SCOs on control and audit work.



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?

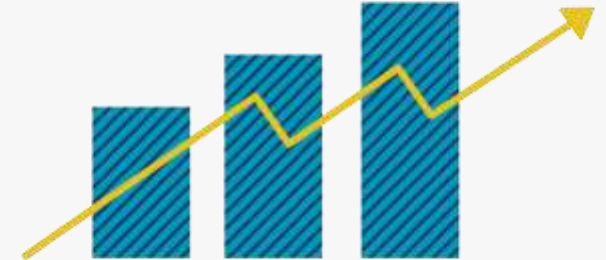


Still in 2023 ...

- Annual SCO meeting – webinar 28& 29 November

...& in 2024

- collection of further SPF examples and practices;
- SPF on IKF – March 2024;
- Webinars including SPF in post2027
- Brand-new project in 2024 – Training programme “**Plunging into SCOs**”





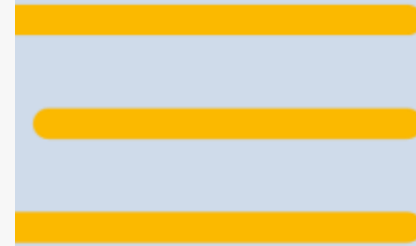
Wrap-up and closure

Please fill in our evaluation survey – thank you in advance!



Contact us @

small.projects@interact-eu.net



Cooperation works

All materials will be available on:
[Interact / Library](#)



SPF Model – Evaluating SPF



Small Project Fund (SPF)



- a) A project delivering its results via small projects
- b) Can be a tool for various purposes (p2p, clustering, complementarity, innovation, new partnerships...)
- c) High number of small actions aiming at visibility on the ground

Operational evaluation

Operational evaluation

In general

Recommended to:

- Do it at an early stage where mitigation and repair still makes sense
- Consider to use external expertise to get proper tools and do regular structured reflection rounds (to support ongoing adjustment of procedures if required)
- Consider project-based evaluation (stop and go decision)

Small Project Fund

- a) Lean management is key!
- b) Coherence of approaches in case of several SPFs (fair, transparent treatment of applicants / recipients)

Key evaluation criteria:

- **Efficiency & effectiveness of the management system**

Operational aspects

Aspect	Dimension & approach	Method & data
Interesting new applicants	<p><i>Effectiveness:</i></p> <ul style="list-style-type: none"> • <i>Outreach, animation and mobilisation actions</i> • <i>Impact on project generation</i> 	<p><i>Qualitative methods:</i></p> <p><i>Desk research</i></p> <p><i>Interviews with stakeholders</i></p> <p><i>Focus groups</i></p>
Lean management approach	<p><i>Efficiency:</i></p> <ul style="list-style-type: none"> • <i>Customer-friendly approach</i> • <i>Quick pathway from idea to decision</i> • <i>Proportionate arrangements for monitoring, check of results and management verification</i> 	

Impact evaluation

Impact

What difference does the intervention make?

The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects.

Impact addresses the ultimate significance and potentially transformative effects of the intervention. It seeks to identify social, environmental and economic effects of the intervention that are longer term or broader in scope than those already captured under the effectiveness criterion. Beyond the immediate results, this criterion seeks to capture the indirect, secondary and potential consequences of the intervention. It does so by examining the holistic and enduring changes in systems or norms, and potential effects on people's well-being, human rights, gender equality, and the environment.

Impact: Exemplary questions

- *Has the intervention caused a significant change in the lives of the intended target groups?*
- *How did the intervention cause higher-level effects (such as changes in norms or systems)?*
- *Did all the intended target groups, including the most disadvantaged and vulnerable, benefit equally from the intervention?*
- *Is the intervention transformative – does it create enduring changes in norms – including gender norms – and systems, whether intended or not?*
- *Is the intervention leading to other changes, including “scalable” or “replicable” results?*
- *How will the intervention contribute to changing society for the better?*



Impact evaluation In general

Recommended to:

- Consider results from 2014-2020 period (similar projects, evaluation results)
- Start working on impact pathways early on
- Integrate capitalisation dimension into evaluation work

Small Project Fund

- a) Visibility on the ground; diversity of projects and recipients
- b) Achievements in terms of outreach (new recipients, number of participants)
- c) Achievements along specific targets (if existing)
- d) Efficiency review (ideally client feedback)

Key evaluation criteria:

- **Relevance + effectiveness**
- a) **Union added value** (civic society involvement in CBC matters, visibility on the ground in border regions, work on CB obstacles etc.)