

# Draft budget - setting up project-specific SCOs

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**Interact**



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Interreg

# Meeting objectives

- Reminder and Updater
- Sharing practical experiences
- Networking and connecting 😊



# Agenda

01

Introduction

02

Draft budget –  
assessment and  
transformation

03

Draft budget –  
implementation  
challenges

04

Draft budget  
and SPF

05

Wrap-up and  
closure

# Working agreements

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





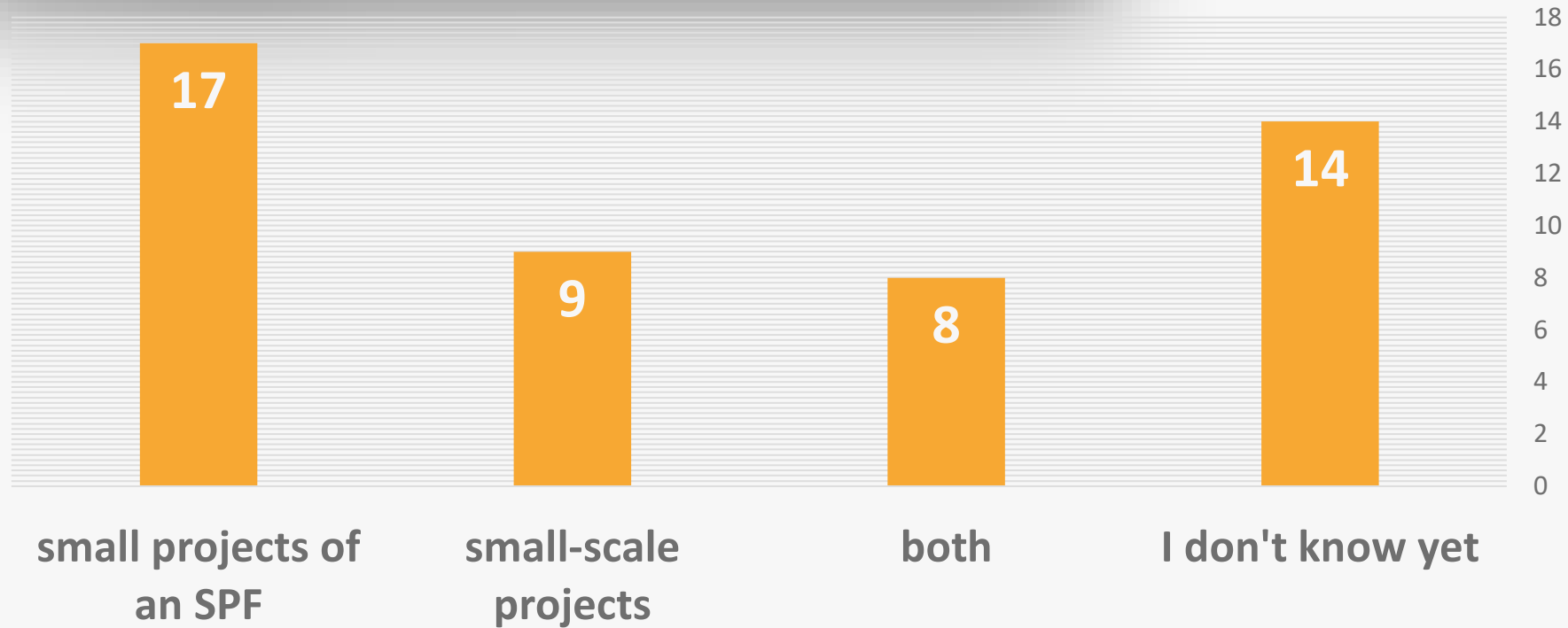
# State of play

Analysis of data from the registration



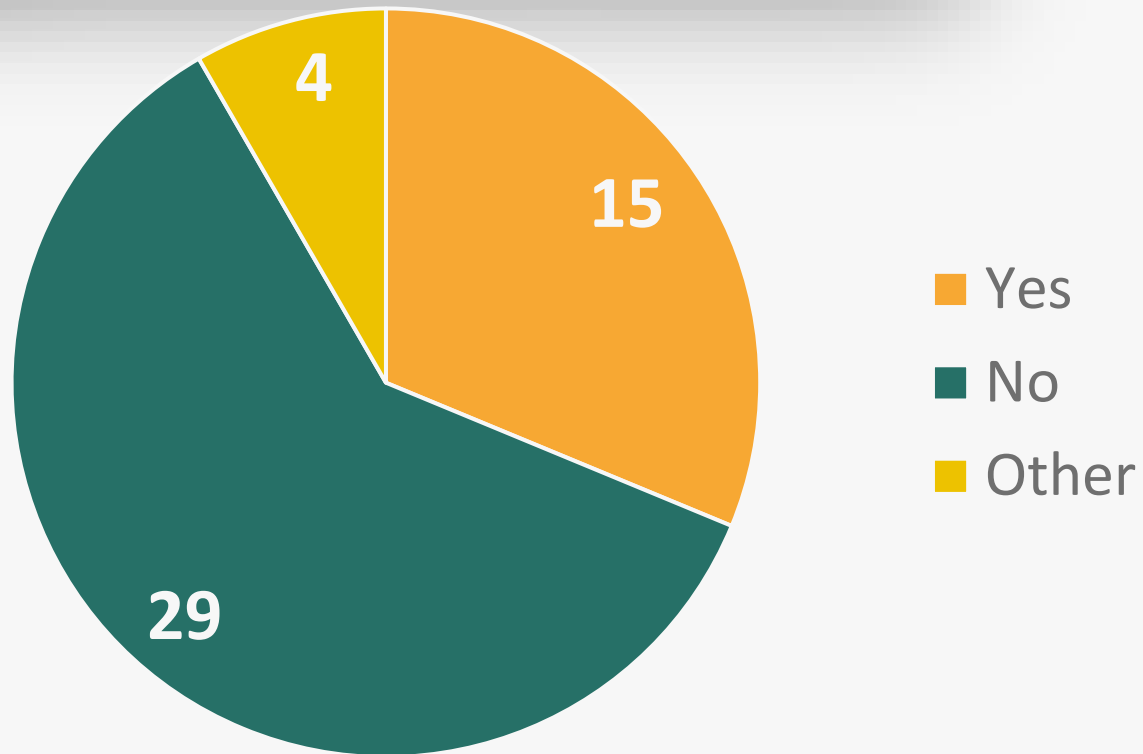
# 48 programmes

Where do you plan to use the draft budget method?



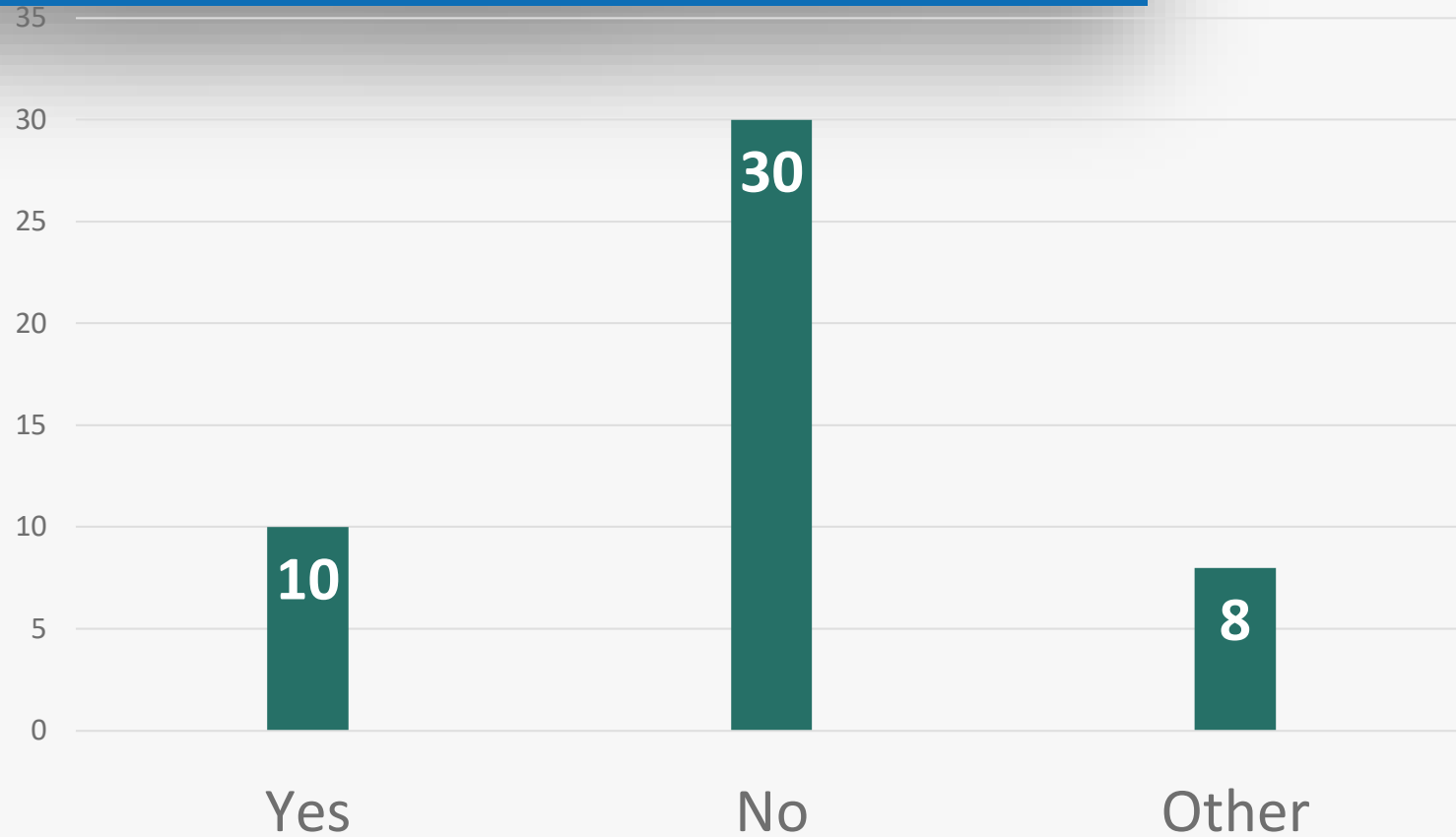
# 48 programmes

Have you already developed a catalogue of costs?



# 48 programmes

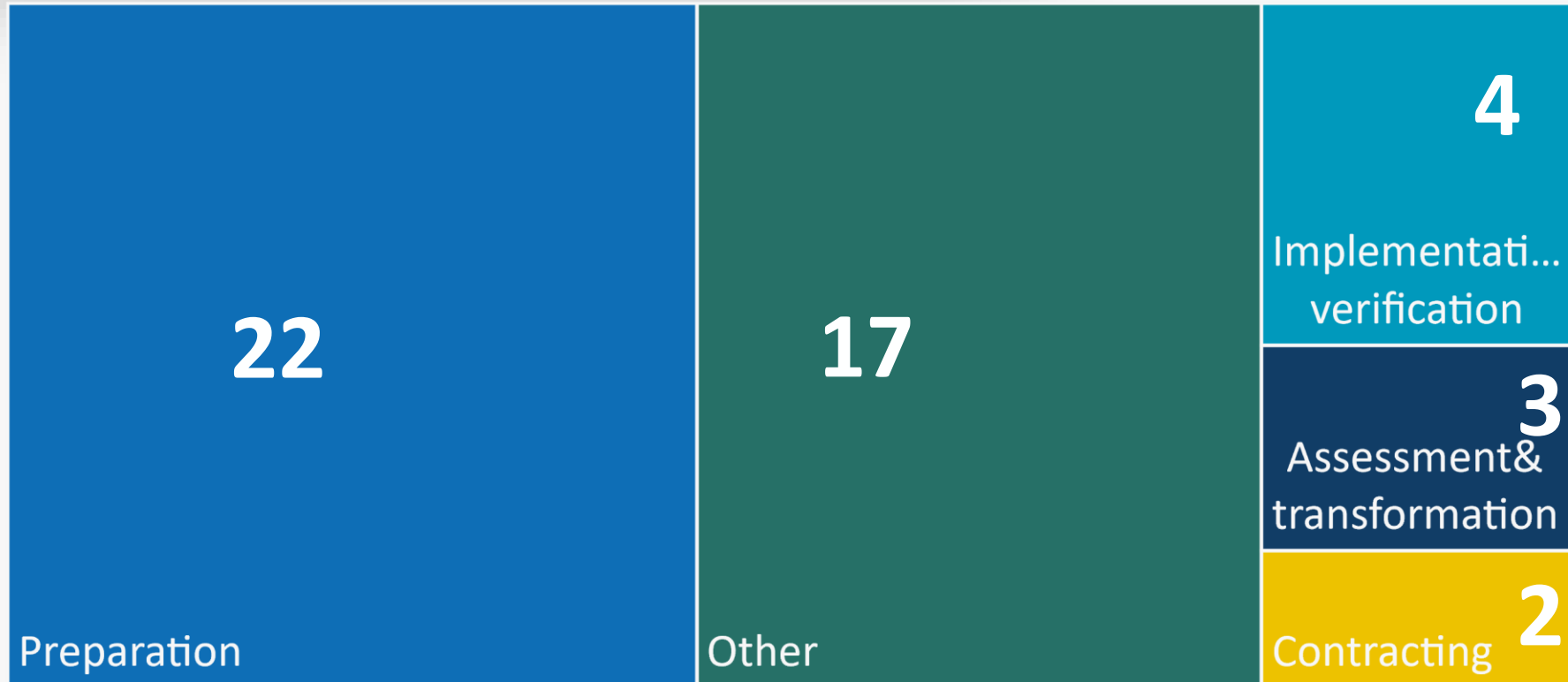
Have you developed a draft budget guidance for applicants?





# 48 programmes

How far are you with the draft budget development?





# Reminder & Updater

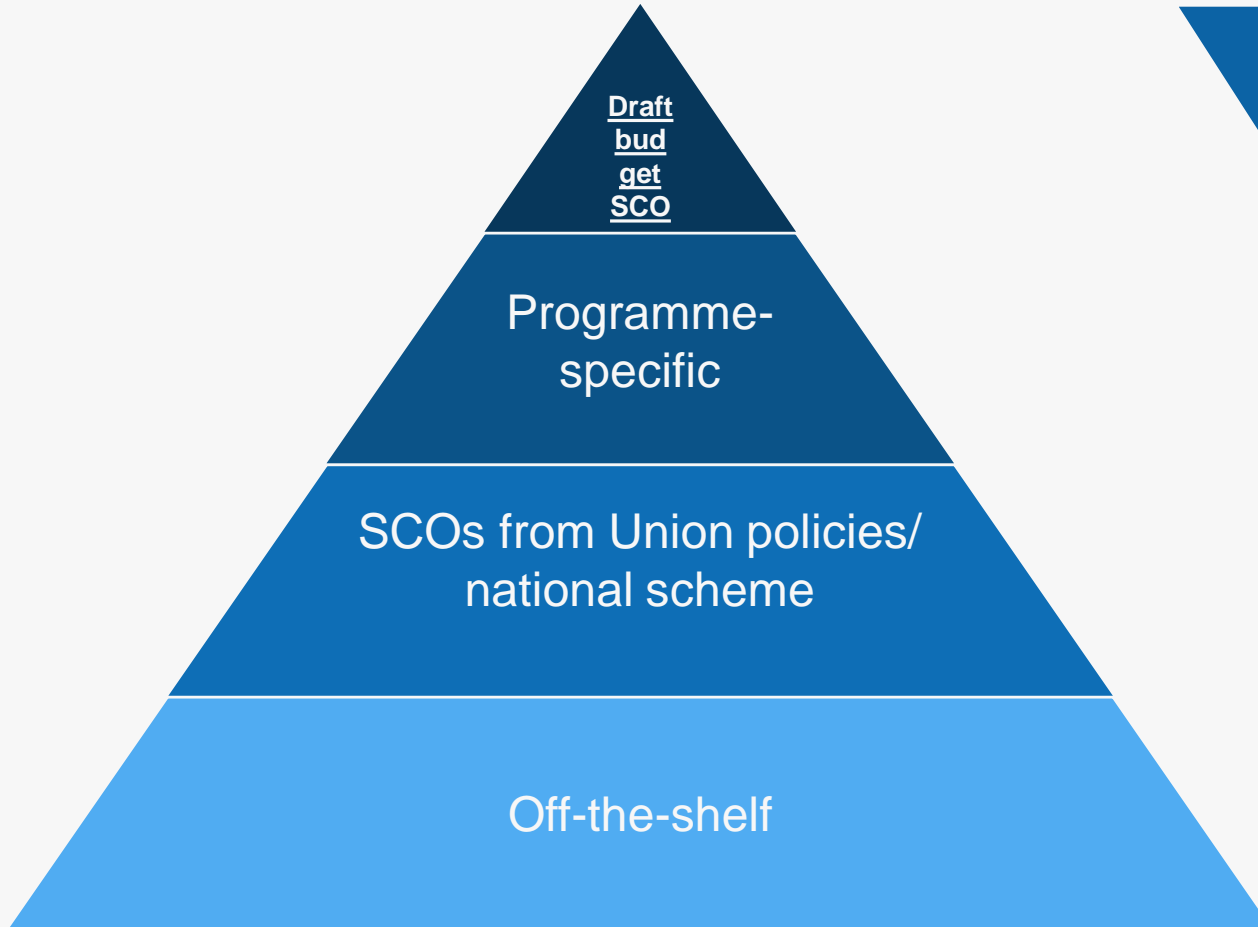


# Useful resources

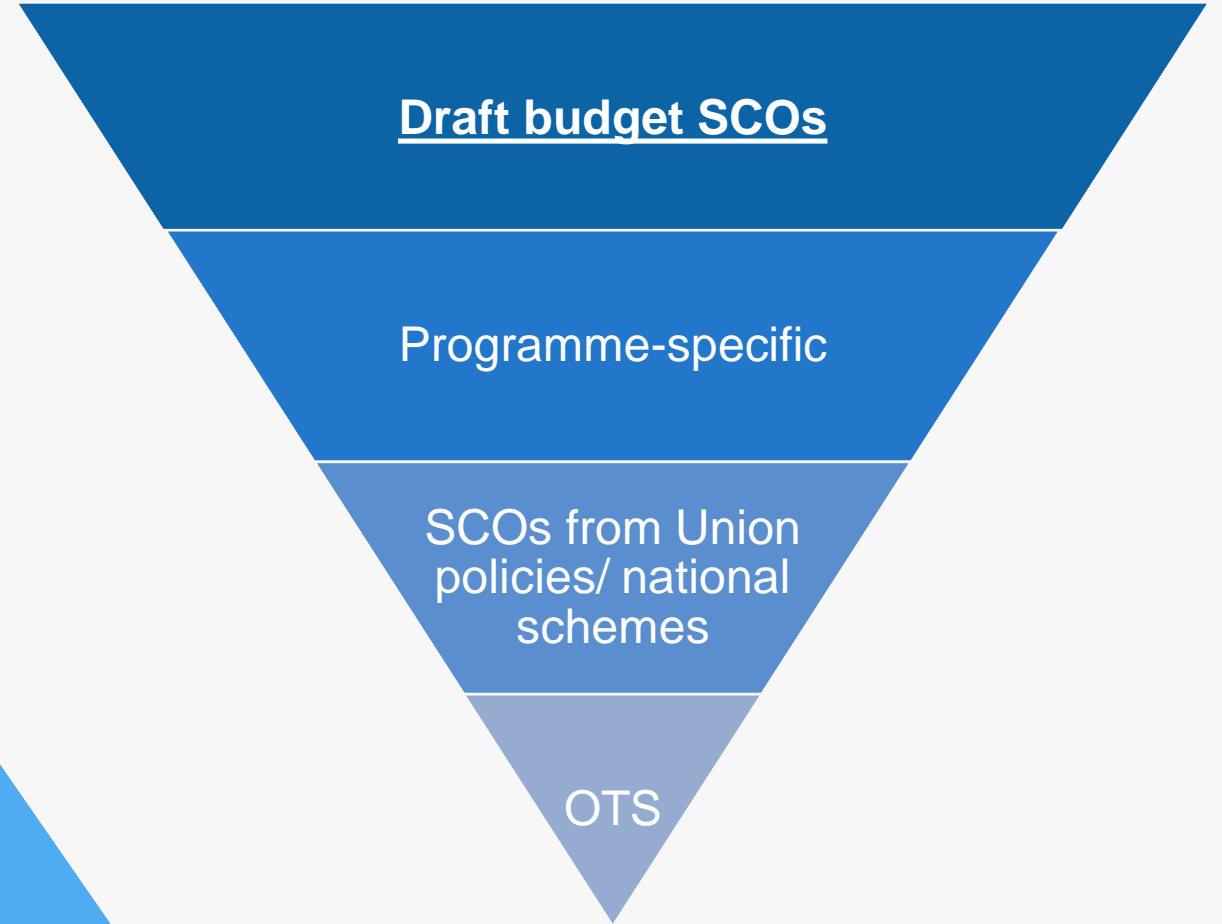


|   |   |
|---|---|
| Draft budget method                           | <a href="#">Factsheet</a>   |
| Slides from previous events                   | <a href="#">June 2021</a> <a href="#">November 2021</a> <a href="#">June 2022</a> <a href="#">November 2022</a> <a href="#">SPF November 2022</a> |
| SCO Network Meetings material                 | <a href="#">2nd Q&amp;A (9&amp;10)</a>  |
| Interreg SCOs Community                       | <a href="#">Draft Budget folder</a>   |
| Draft budget method in the project life cycle | <a href="#">Miro</a>  |
| Manual for the draft budget method            | <a href="#">Briefing note</a>   |

## SCO standardization level



## Resources/work required by programme(MA/JS)



# Programme- vs project-specific



Programme-specific  
SCOs

- Used by all projects;
- there is historical data/ other data sources for the MA/ JS to develop these SCOs;
- replication (from project to project).



Project-specific  
SCOs

- Cannot be (automatically) reused for other projects;
- cover specific nitty-gritty activities/ costs;
- no replication (programme-specific SCOs can be developed by the programme once there is enough historical data from draft budget proposals – uplifted to “programme-specific SCOs”).

# A draft budget method

SCOs are established for project implementation (subsidy contract with SCOs)  
– “project-specific” SCOs (simplified implementation)

Not an SCO!  
Used to establish SCOs

All or part of the project

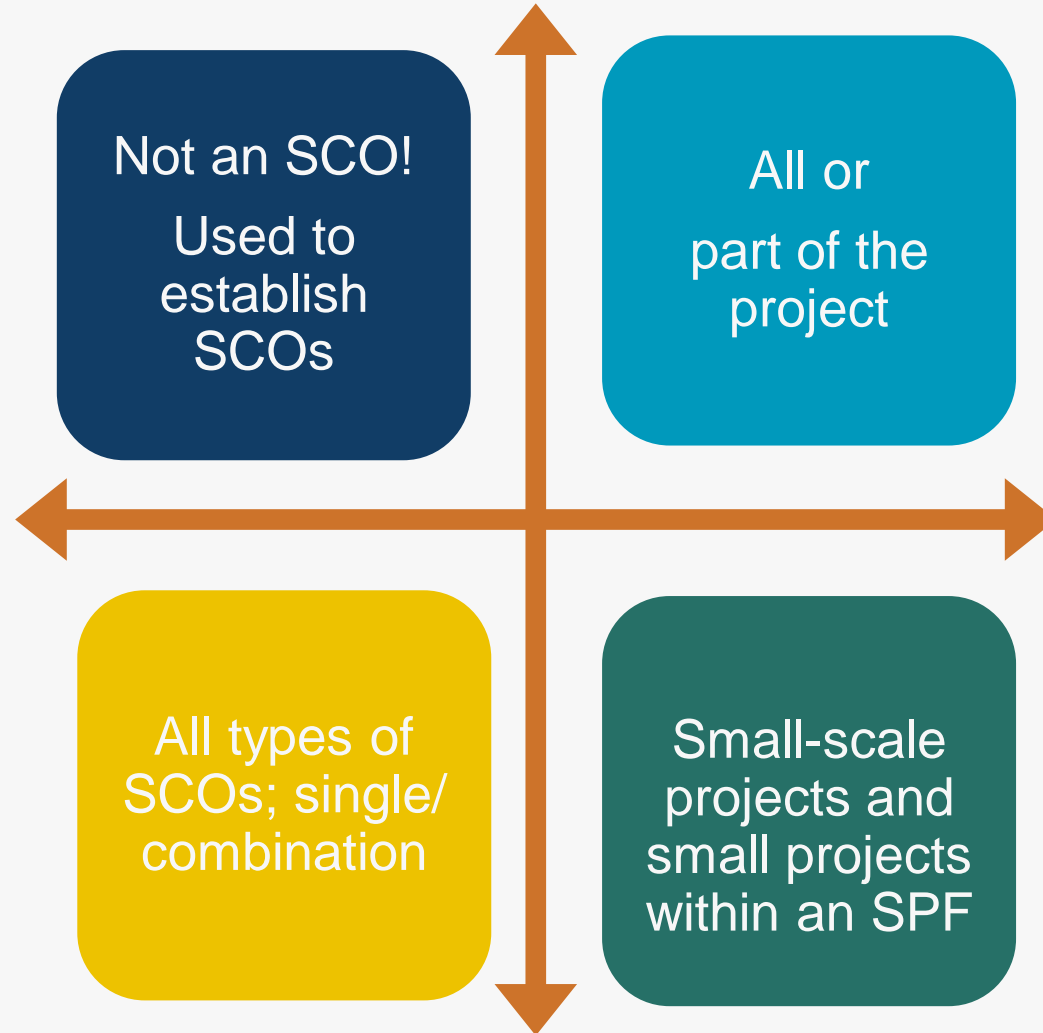
For projects with specific, numerous activities, where off-the-shelf/programme-specific SCOs cannot be used ...

Most popular SCO – lump sum; several lump sums to reduce risks (milestones); unit costs and flat rates are also possible.

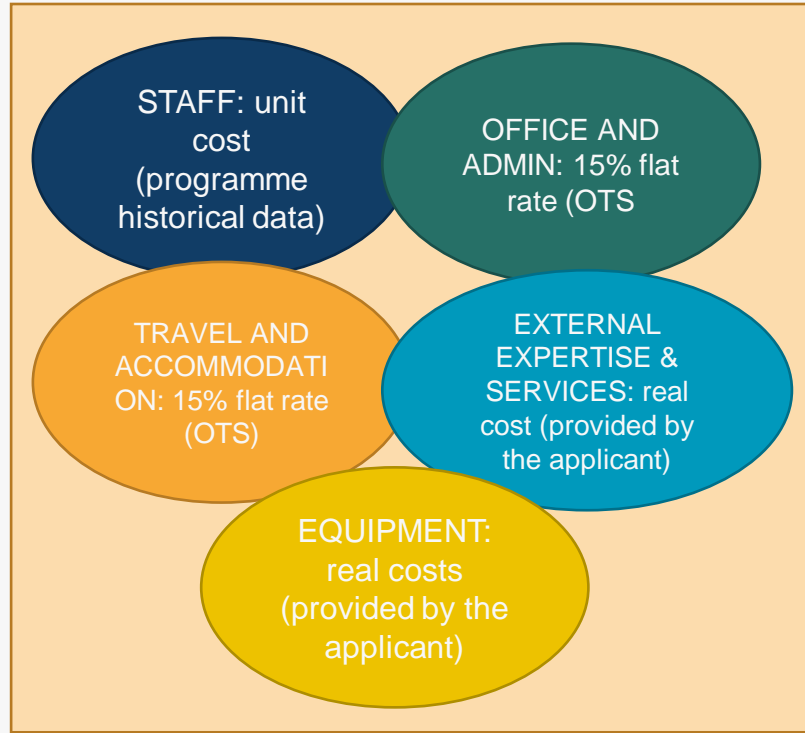
All types of SCOs; single/combination

Small-scale projects and small projects within an SPF

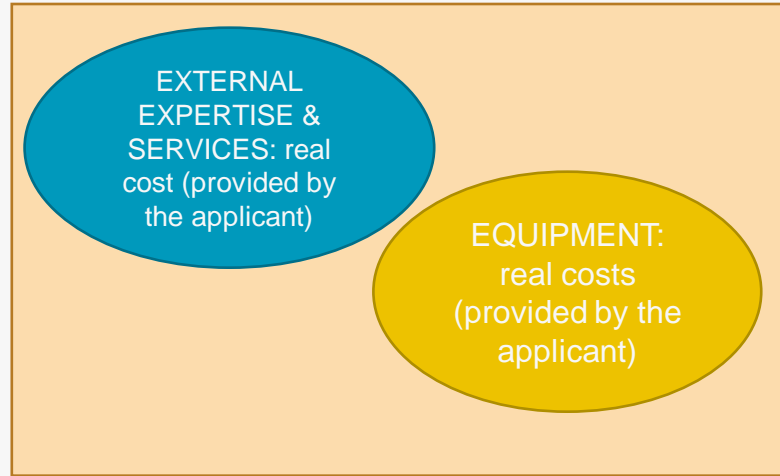
Small-scale projects – EUR 200 000 total costs;  
Small projects (SPF framework) – EUR 100 000 total costs.



# Off-the-shelf/ programme-specific SCOs in the draft budget method



LUMP SUM/ or anything else



LUMP SUM/ or anything else



STAFF cost category: real costs/ unit cost (programme historical data) – programme-specific SCO

# Points of attention - draft budget method

## Method to establish an SCO(s)

The objective of the method is to establish an SCO(s).

## The most effort-consuming method

Due to ex-ante work (assessment guide with a focus on equal treatment, cost benchmarks/ reference points, case-by-case assessment, transformation to SCO(s), defining milestones/ payment triggers), extensive documentation, individuality.

## Threshold

Up to EUR 200 000 total costs (in the framework of an SPF (Article 25 of the Interreg Regulation) – up to EUR 100 000 total costs).

## Advantages

Allows for innovative project ideas; relatively easy implementation phase; flexibility for projects; simplification; hiding small items into an SCO(s).



# Trailblazers

Bayern-Austria

Bayern-  
Czechia

Euroregio  
Meuse- Rhine

Poland -  
Slovakia

Aurora

Czechia -  
Poland



# Assesment & transformation into SCO's



# A draft budget method

A calculation method to establish a project-specific SCO(s).

Applicant submits a draft budget to the programme (with real costs; proper documentation).

Programme can include SCOs in the draft budget method (e.g., 15% for office and admin)



Programme assesses the draft budget proposal (case-by-case basis).

Programme transforms proposal into an SCO(s) – in grant agreement:

- establishing milestones to be delivered and payment triggers.

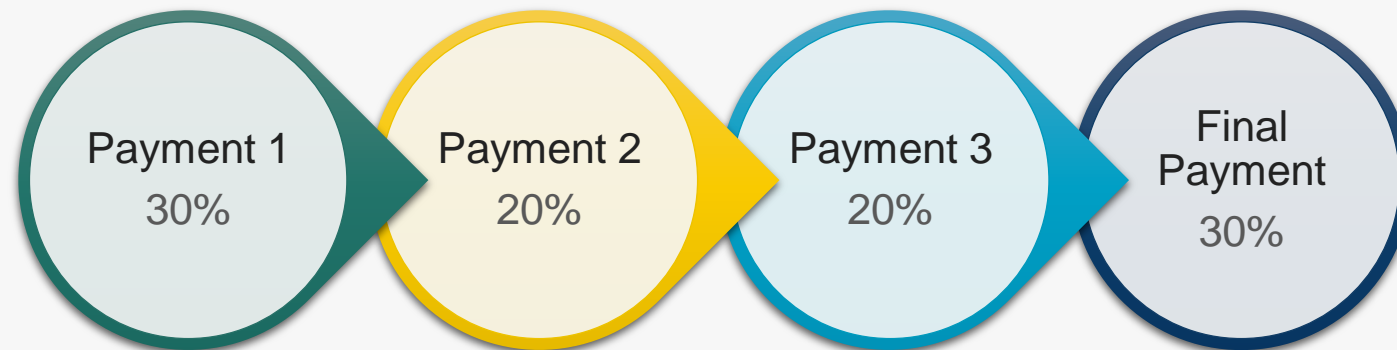


SCOs are used during the project implementation:

- expenditure is reimbursed according to payment triggers;
- control and audit of SCOs and not of initial amounts used in the draft budget proposal.

# Milestones in the draft budget method

- Focus on activities that make up the payment.
- Milestones are not always needed (if the implementation is short and the output is clear).



# Draft budget method - example

| Budget item                    | Cost*         | SCO                 | Approach   |
|--------------------------------|---------------|---------------------|--|
| Kick-off meeting               | 5,000         | Lump sum 1 = 20,000 | Milestone 1 – delivery of the report X                             |
| Data collection                | 10,000        |                     |  |
| Report preparation             | 5,000         |                     |  |
| Marketing campaign design      | 5,000         | Lump sum 2 = 43,000 | Milestone 2 – execution of marketing campaign and evaluation study |
| Marketing campaign execution   | 20,000        |                     |  |
| Evaluation study               | 5,000         |                     |  |
| Staff (20%)                    | 10,000        |                     |  |
| Office and admin (15%)         | 1,500         |                     |  |
| Travel and accommodation (15%) | 1,500         |                     |  |
| <b>Total</b>                   | <b>63,000</b> | <b>63,000</b>       |  |

# Experience sharing

## Interreg Aurora

- Tina Nilsson
- Veronica Estling

# Experience sharing

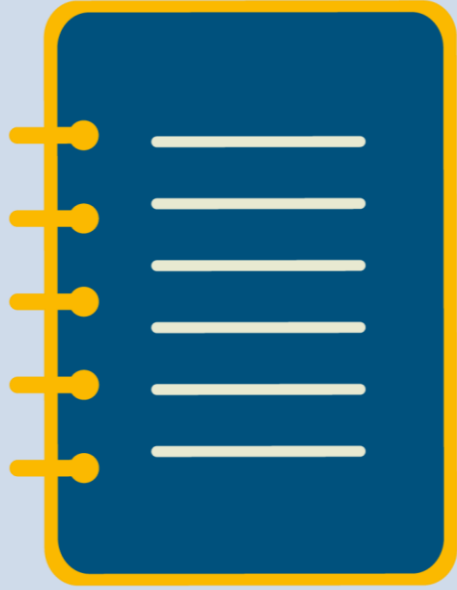
## Interreg Bavaria –Austria

- Andrea Mayrhofer
- Thomas Huemer

# Questions & Answers







# Implementation of project-specific SCOs

From contracting to flawless implementation



# A draft budget method

## Contracting

- duration of the project
- definition of outputs to be delivered
- amounts & SCO
- conditions & milestones



## Monitoring & reporting

- focus on milestones and outputs
- minimum performance scope of the project



## Management verification

- focus on outputs not costs!
- No double-financing

# Experience sharing

**Interreg Euroregion Meuse- Rhine**

- **Jean-Philippe Odeurs**

# Questions & Answers





# Draft budget in Small Project Fund (SPF)



# Experience sharing

Interreg Poland - Slovakia

- Magdalena Rudzińska

# Experience sharing

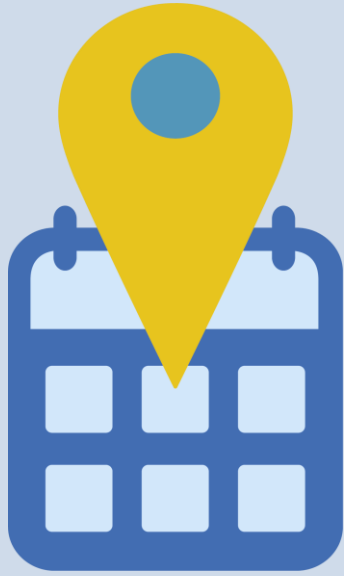
Interreg Bavaria - Czechia

Dorothee Bühler

# Questions & Answers







# What's to come?

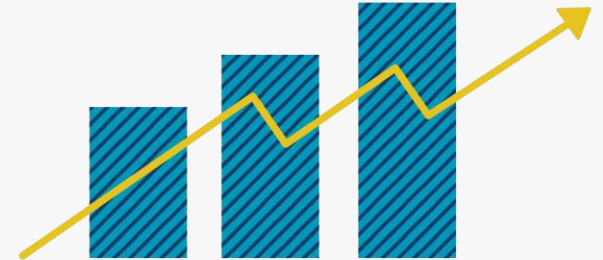


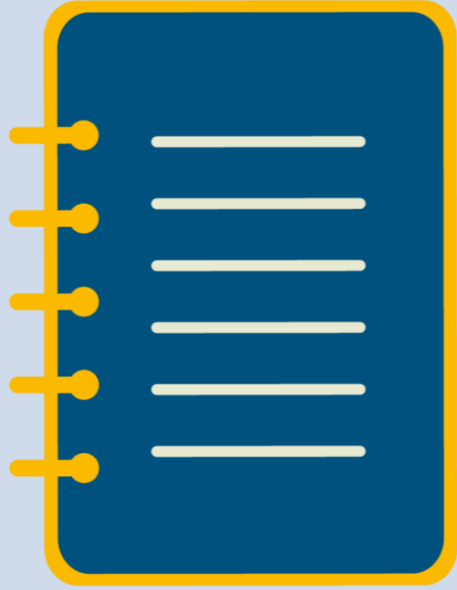
# Still in 2023 ...

- SPF and small projects – webinar November
- Annual SCO meeting – let's meet November

# ...& in 2024

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





# Wrap-up and closure

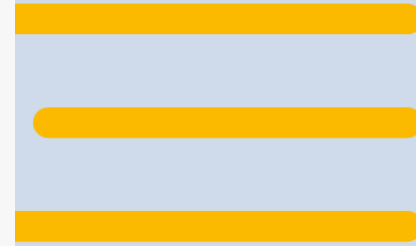
Please fill in our evaluation survey – thank you in advance!



# Contact us @

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[small.projects@interact-eu.net](mailto:small.projects@interact-eu.net)



# Cooperation works

All materials will be available on:  
[www.interact-eu.net](http://www.interact-eu.net)