



# INTERREG AUSTRIA – BAVARIA

## DRAFT BUDGET IN SMALL-SCALE & P2P PROJECTS

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## THE SET UP

- Draft Budget for **small-scale projects** (up to **35 000 EUR** (total cost)) and **people-to-people (p2p)** projects up to **5 000 EUR**
- Project generation and guidance to applicants will be mainly in hands of 6 EU-Regios (with strong initial support from JS)
- Topics of small-scale projects have to comply with the focus areas of the strategies developed by each of the 6 EU-Regios (PO5)
- Agreed with the Audit Authority (AA) to run the Draft Budget method for a 1 year test period and evaluate it





# RULES FOR SMALL-SCALE and P2P-PROJECTS

## OVERVIEW

## EX-ANTE (BEFORE IMPLEMENTATION)

- 1) Development of the Draft Budget and evidence for the plausibility of costs by the applicant **Draft Budget**
- 2) Check of the Draft Budget by the programme authorities
- 3) Determining the (ERDF-)amount (lump sum; consisting of several lump sums evt. plus unit costs)
- 4) Definition of milestones and required evidence **milestones and evidence**
- 5) ‚Break-down‘ of the overall amount according to the milestones
- 6) Target-performance-comparison: Check of implemented against planned milestones based on the evidence agreed ex-ante
- 7) Delivery of evidence according to milestones is the payment trigger **eligibility of expenditures**

## EX-POST (AFTER IMPLEMENTATION)





## FIRST INSIGHTS WHEN DEVELOPING & DISCUSSING THE METHOD

- Perspective of the Euregios: Applicants had been used to a high degree of flexibility in small-scale projects (rather vague budgets, quite flexible approach to changes, etc.); in particular the binary logic of lumps sums (0 or 1) could be harsh for them
- Hence, a very client-friendly approach has been developed which allows within the limits of the draft budget for a reasonably safe reimbursement even if not all results have been achieved ("quantification")
- BUT: Project applications and the descriptions have to become more factual to allow for an efficient transformation of initial budgets to SCOs (clear indication of numbers of planned events, outputs, etc.)





## IMPORTANT FEATURES OF THE APPROACH

- Staff cost only as flat rate (20%) – evidence of staff employed by the applicant; no staff cost in p2p-projects
- Office and administration cost only as flat rate
- Travel & accommodation cost: either as flat rate or mileage fee (same fee per km regardless if car or public transport) plus reference cost per night/person
- External expertise: reference cost for recurring items; use of reference cost or comparison offers / market research at the application stage





# REFERENCE COST - BENCHMARKS

Benchmark	EUR (incl. VAT)	Source
Mileage fee (per km)	0.35	Based on tax laws
Accommodation (per night & person)	70	Historical data / market research
Catering per person (without need for rent of venue)	half day 19 full day 35	Historical data / market research
Unit cost per person using external venue (incl. catering, rent, equipment)	half day 52 full day 62	Historical data / market research
Hourly rates:		
Graphic designer	84	
Technician for event	69	
Thematic Expert	127	Historical data
Voluntary work (in kind)	12	Austrian EAFRD programme
Bus transport per km	6.70	
Print material – per pc. regardless of page number, incl. dispatch e.g. A4 up to 1 000 pcs.	1.21	Austrian EAFRD programme
1 000 to 10 000	0.51	





## TESTING & ILLUSTRATING THE METHOD FOR EUREGIOS – 1/2

Cost item	Budget 14-20 in EUR	Test !	Comment related to development of (test) draft budget
Travel & accommodation	725	560	Requires estimate of km in application! 4 persons; 200 km/person 800 km * 0.35 EUR = 280 plus 4 nights; 4 * 70 EUR = 280 EUR
<b>External expertise</b>			
Kick-off conference	1 300	1 270	Tested with hourly rate for expert: 10 hours * 127 EUR = 1 270
Transport (bus) for pupils	1 000 1 800		Based on comparison offers
Excursions for pupils	2 600		Comparison offers
Closure event	2 075	1 935	Tested with reference cost: 35 participants * 52 EUR = 1 820 + entrance fees





## TESTING & ILLUSTRATING THE METHOD FOR EUREGIOS – 2/2

Cost item	Budget 14-20 in EUR	Test !	Comment related to development of (test) draft budget
Picture booklet, CD	2 000	930	Tested with hourly rate for graphic designer; 10 hours * 84 EUR = 840 50 pcs. * 1.21 EUR = 60.5, plus market survey on price for CDs
Hiking & adventure app	9 500	6 720	Estimate with hourly rate for graphic designer; 80 hours * 84 EUR = 6 720 (in reality cheapest offer 14 800 EUR!)
Layout for hiking map	2 000	1 680	Tested with hourly rate for graphic designer 20 hours * 84 EUR = 1 680
Printing hiking map (50 000 pcs.)	2 000	2 000	Tested with reference cost for printed materials
<b>Flat rates</b>	<b>0</b>	<b>0</b>	
<b>GRAND TOTAL</b>	<b>25 000</b>	<b>20 500</b>	







## MILESTONES & PAYMENT

- Option for quantifiable milestones (if possible to divide an amount meaningfully into pro-rata shares)
- Weight of milestones according to share of cost for milestones in the draft budget
- 3 to 5 milestones recommended
  
- One payment per project at the end; adding percentages for all milestones delivered according to plan (max 100%); evidence for milestones submitted
- No pre-defined maximum duration





# MILESTONES + EVIDENCE = PAYMENT TRIGGER

Milestone (MS)	Evidence (either/or)	Weight acc. % of budget	Quantifiable MS? (if Y No)
Kick-off conference (incl. transport)	Pictures, agenda, announcement, participants list	12	-
Excursions	Pictures, participants list	14	Y (2): 2 excursions delivered = 14% 1 excursion = 50% of 14%
Closure event	Pictures, participant list, press conference	19	-
Booklet & CD	Specimen copy	4	-
Hiking & adventure app	Link to operational app; mind publicity requirements!	33	-
Hiking map	Specimen copy	18	-
<b>TOTAL</b>		<b>100 %</b>	





## LINKS & CONTACTS

### **Interreg Austria - Bavaria**

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Materials in German:

Guide & eligibility rules for small-scale projects and p2p projects

[https://www.interreg-bayaut.net/wp-content/uploads/2022/03/Leitfaden\\_Version\\_1\\_im-CD.pdf](https://www.interreg-bayaut.net/wp-content/uploads/2022/03/Leitfaden_Version_1_im-CD.pdf)

