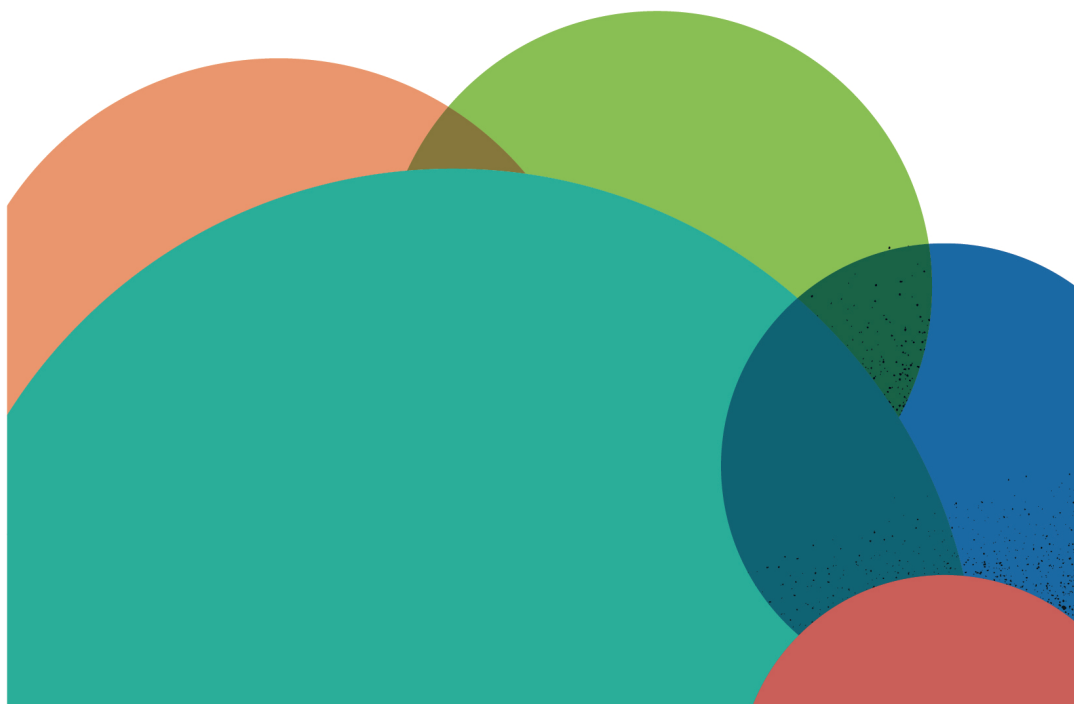


FACTSHEET

**Interreg IPA South Adriatic
(Italy–Albania–Montenegro 2021-2027)****PROGRAMME MANUAL****4.10.1 Simplified cost options guidance**

Current version	02.1
Updated	28 April 2025
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Introduction

Through the Simplified Cost Options (SCOs), the bodies of the 2021-2027 Programme “Interreg IPA South Adriatic (Italy-Albania-Montenegro)” (**Programme**) intend to contribute to simplification for beneficiaries, especially for small organizations, which have often limited administrative capacities to financially manage and report complex cross-border operations. Unlike the real cost reporting, i.e. reporting on the basis of a complete audit trail and evidence of every single euro cent spent, SCOs are based on approximate global amounts covering typical outputs, which were calculated according to a fair, equitable and verifiable methodology, in compliance with art. 53 par. 3 Regulation (EU) 2021/1060. Accordingly, the verification of SCOs shifts its focus from documents (procurement, contracts, invoices, payments, etc.) to concrete outputs (existence of the delivered product or activity planned for the project), while the audit also verifies the calculation methodology and the correct application of the SCOs during regular Audits of Operations. The methodology may also be verified by the Auditors ex-ante, in case of applying art. 94 of Reg. (EU) 2021/1060.

In addition, the Programme bodies also intend to finance small-scale projects, having a total value below 200.000 €, as described in chapter 6 of the Programme, for which Art. 53 (2) of the CPR (EU) 2021/1060 provides that exclusively Simplified Cost Options shall be applied.

On this basis specific calls will expressly include the possibility to submit project proposals as “Small Scale Projects” defined by specific rules.

WARNING

In compliance with article 94 of the Regulation (EU) 2021/1060, the Programme text has been revised to include some of these SCOs in the Programme annexes. Since this Programme modification has not been approved by the European Commission yet, in case any SCO has to be revised because of a subsequent opinions by the Audit Authority or by the European Commission, the SSP partners shall replace or adapt those activities accordingly, as far as compatible with the revised SCOs, assisted by the Managing Authority and Joint Secretariat.

General principle

For SCOs, other than the documentation to prove the reality and existence of the output, no supporting documents have to be provided for the costs during the reporting. Therefore, emphasis is put on the SCO output, to prove that activity took place in the planned way. Once the activity has been completed, it will be reported. If the SCO output is completely reached, the project will claim the reimbursement of the full amount certified and initially budgeted.

The simplified cost options (SCOs) relate only to the contractual relationship between Managing Authority and Lead Partner (as well as between Lead Partner and Project Partners). In particular, the SCOs imply that before reimbursing, the Programme authorities (MA, AA etc.) are verifying only that the SCO's outputs are delivered, instead of the audit trail documentation related to expenditure items, which would be the basis for a real cost reimbursement method.

Consequently, the **SCOs do NOT apply to the contractual relationship between Partner's organisation and third parties** (e.g. Staff member, Service provider, Supplier, Contractor, etc.), which is still regulated by the applicable national legislation and may be verified or audited by the National competent authorities.

In compliance with Articles 54, 55 and 56 of Regulation (EU) 2021/1060, and Article 41, paragraph 5 of Regulation (EU) no. 1059 (2021) (CTE), the Programme transposes the following **off-the-shelf SCOs**:

1. **Office and Administration (O&A) Costs**: a flat rate of 15% of eligible direct staff costs without there being a requirement to perform a calculation to determine the applicable rate, i.e. no calculation methodology is necessary. The percentage of 15% is to be considered fixed for the Programme.
2. **Travel & Accommodation** costs will be exclusively calculated at a flat rate of **15%** of the **direct staff costs** of that operation.
3. A flat rate of **40 %** of eligible direct staff costs may be used in order to cover the **remaining eligible costs** of an operation. The percentage of 40% is to be considered fixed.
4. **Staff costs 20%** of the direct costs other than direct staff costs of that operation, as provided by Art. 55 of the CPR Regulation (EU) 2021/1060.

In addition, the **Programme developed own SCOs** set out in this fact sheet:

1. Lump sum for Preparation cost;
2. Lump sum for Workshop, seminars and conferences
3. Lump sum for Incoming missions & B2B meetings;
4. Lump sum for Joint Action plan/Model/Methods;
5. Lump sum for closure cost;
6. **Standard Scale of Unit Costs for Staff costs –suspended;**
7. Standard Scale of Unit Costs for Accompanying actions;
8. Standard Scale of Unit Costs for Targeted Training;
9. Standard Scale of Unit Costs for Travel&Accommodation linked to Training/Accompanying actions;
10. 2% Flat Rate for Italian FLC's cost

With reference to the Standard Scale of Unit Costs for Staff, included in the Programme developed own SCOs, take note that its application is suspended.

Lump sums operate on a binary approach, and there are no other choices than **paying 0% or 100%** of the single lump sum. Special attention should be paid that the conditions (e.g., how the reimbursement of costs can be affected if the conditions have not been fulfilled) are clearly defined. **If only one output to be financed via a lump sum is indicated and that output is not delivered, no reimbursement is due.**

In the case of **standard scales of unit costs**, costs related to specific activities of an operation will be calculated on the basis of quantified activities, input, outputs or results multiplied by standard scales of unit costs established in advance.

SSUC operates on a modulated approach, that is the value is re-parameterized to the real operating conditions.

**SCOs to be used are set out in the specific calls for proposal
and/or may be introduced with a decision by the Monitoring Committee**

At the moment of publishing this factsheet, this is how the SCOs apply to the types of projects:

N.	SCO	Small-scale	Standard	Strategic
1	Lump sum for Preparation cost	✓	✓	
2	Lump sum for Workshop, seminars and conferences	✓		
3	Lump sum for Incoming missions & B2B meetings	✓		
4	Lump Sum for Action plan/Model/Methods ApMM	✓		
5	Lump sum for Closure cost		✓	✓
6	SSUC for Staff - suspended	-	-	-
7	SSUC for Accompanying actions	✓		
8	SSUCs for Targeted Training	✓		
9	SSUCs for Travel&Accommodation	✓		
10	Flat rate 2% for Italian FLC cost	✓	✓	✓
11	Off-the-shelf Flat rate 15% Office and administration		✓	✓
12	Off-the-shelf Flat rate 15% Travel and accommodation		✓	✓
13	Off-the-shelf Flat rate 40% external cost of direct staff cost		✓	✓
14	Off-the-shelf Flat rate 20% staff of other direct cost		✓	✓

Consequently, REAL COSTS are admitted only in the following cases:

	Small-sc	Standard	Strategic
If the Flat rate 20% is NOT applied, STAFF REAL costs are admissible considering that the SSUC for STAFF is suspended		✓	✓

If the Flat rate 40% of direct staff cost is NOT applied, EXTERNAL EXPERTISE AND SERVICE, EQUIPMENT and INFRASTRUCTURE AND WORKS REAL costs are admissible		✓	✓
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WARNING - ON THE SPOT VISITS

During the project lifetime, Controllers and member of the JS/Programme Bodies involved in the control, shall carry out **at least one on-the-spot visit per each project partner¹**.

Without prior notice, they can check on site the existence of activities detailed in the § 2-3-7-8, and fill in a report to be uploaded during the partner report certification procedure in Jems; (cfr. [Annex 4.10.1.1 Check list](#)):

Take note that the Controller may carry out more on-the-spot visits per project partner in charge, depending on the SCOs chosen by the related partner.

Therefore, it is strongly recommended for each beneficiary to inform JS/NIP/Controller about any gathering planned, with at least one month notice.

This Factsheet provides also relevant annexes to be used.

It is advisable to use for any SCO applied, the template for event evaluation (cfr. annex 4.10.1.2) for the necessary follow-up and it is required to strictly apply GDPR requirements for documentation. This template could be used and adapted to the project specific requirements. The data collected with the evaluation forms could be aggregated, main conclusions on the event achievements could be drawn by the project partner in form of an event evaluation, which could be attached to the request for reimbursement. If not this, other suitable methods for event evaluation shall be applied.

WARNING

In compliance with the GDPR Regulation (UE) No. 2016/679, the project partner must request an explicit consent by the participants to use their own data, photos or videos, which include personal image for the purpose of evaluation, audit or promotion of the event outcomes, except for any commercial use and distribution, which is not allowed ².

¹ In case Controller, for reasons not due to the partner's failure, and/or other programme bodies have not participated at least one organized event, the Controller, by way of derogation from the established-obligations, must carry out an on-the-spot visit to the premises of the partner, in order to verify the completeness of audit trail linked to the activities organized on site.

² If participants deny their consent to use personal data/images for audit/evaluation purposes, the event organiser shall blur out a substantial part of it (still allowing to verify total number of participants by an auditor). If the participants deny their consent to use personal image for institutional promotion, recognisable images of the participants are not usable (to be verified in the actual case).

1. Preparation Cost

The preparation costs will be paid as a **lump sum** in the total amount of **EUR 11,730.00 (for standard project)** and **EUR 5,865.00€ (for Small Scale Project)** per project (including IPA contribution and national co-financing).

A non-exhaustive list of covered costs by the LS carried out by the partner concerned, as well as the management verification obligations, are listed as follow:

PREPARATION COST <u>List of costs covered</u>	PREPARATION COST <u>Management verifications</u>
<ul style="list-style-type: none"> meetings between potential partners, related staff costs, travel costs, external expert costs for preparation of the documentation, studies, translation of documents, consultations any other cost related to the preparation of the operation activities carried out before signing the Subsidy Contract/Partnership Agreement. 	<p><u>Objective:</u> to verify that project preparation occurred in reality, i.e. that it existed.</p> <p><u>Proof to be checked:</u> the submission of the application form and its compulsory attachments, filled in in all its parts, as required.</p> <p>To produce this concrete output, the project partners must have carried out a number of compulsory preparation activities.</p> <p>NB. The verification of the Application Form occurs at eligibility/quality check, carried out during the call for proposals assessment.</p> <p>Therefore, instead of the National Controllers, the Managing Authority supported by Joint Secretariat, is performing and confirming the verification of reality and existence.</p>

In case of SSP and standard projects, **Only one** lump sum of this type of activity can be allocated per project. The lump sum will be included in the Application Form within the budget of the **Lead Partner**, in order to be reimbursed to the Lead Partner.

As specified in the related public notice, different rules applied for Strategic projects.

2. Workshop, seminars, conferences

Projects are entitled to receive reimbursement in the form of a lump sum in the total amount set in the table below, relating to **at least 1 day** event (minimum 6 hours) and **at least 40 participants gathering in person, from at least two different countries of the programme area.**

	Italy	Albania	Montenegro
Workshop, seminars and conferences	EUR 18,819	EUR 13,464	EUR 12,749

The milestone of the SCO output implementation is achieved once the minimum no. of 40 participants in one day is reached. This may be reached as a sum of different persons in more than one day's participation³.

The seminar/workshops must be organized as physical meetings, **no online meetings** are permitted.

During the preparation, implementation and follow-up of the meetings the partners shall prove **that sufficient quality standards are ensured** (e.g. involving qualified experts, facilitators, ensuring sufficient services for participants, outcomes of the meeting duly documented, participants satisfaction questionnaire, visibility ensured, communication tools developed etc.), which allows for achieving the project goals, outputs and results. Please check carefully templates annexed to this factsheet.

This means that the Controller shall be in the position to verify by partner reports that the outputs and results are achieved with the expected quality standard in a reasonable way. In particular, an assessment by participants (through questionnaires e.g.), and follow up, or equivalent, is required.

Be aware that the Controller and/or programme bodies staff shall be informed about the activity's Agenda with **at least one month notice**. Without prior notice, they can check on site the existence of the activity and fill in a report to be uploaded in the concerned partner report.

³ In cases of force majeure (e.g. pandemics, etc.) it may be justified and reasonable that participants from other countries are involved only online. Anyway the number of participants in presence shall be respected.

A non-exhaustive list of covered costs by the LS carried out by the partner hosting it, as well as the management verification obligations, are listed as follow:

WORKSHOP/SEMINAR/CONFERENCE	WORKSHOP/SEMINAR/CONFERENCE
<u>List of costs covered</u>	<u>Management verifications</u>
<ul style="list-style-type: none"> • executive planning of the event (staff cost + external expertise) • logistical assistance • fee for speakers, including travel and accommodation • services related to studies, analyses, publications, tools, which are functional for the event • rental services and setting up locations • kit-event realization • hostess service • interpreter service • catering service • operational secretary, including travel and accommodation • preparation and implementation of the promotion campaign for the event • event follow-up (reporting, evaluation, press releases, etc.) • any ancillary activity and related cost necessary to achieve the SCO output. 	<p><u>Objective:</u> to verify the reality and existence of the related event.</p> <p><u>Proof to be checked by Controller:</u> Event's documentation uploaded in the partner report, which includes at least:</p> <ul style="list-style-type: none"> • Folder preparation: Agenda, invitation, participant lists, event poster, news, publications, studies, etc. A sufficient evidence shall be provided in order to prove to a reasonable extent that the event was well prepared and communicated beforehand. • Folder implementation: Signature lists, photo and video materials, social media and media coverage, promotional kit material, etc. A sufficient evidence shall be provided in order to prove to a reasonable extent that the events took place. • Folder follow up: Minutes, follow up Summary, Conference proceedings, meeting evaluation forms filled in, signed memorandum of understanding, etc. A sufficient evidence shall be provided in order to prove to a reasonable extent that the events were followed-up on. <p>A suitable involvement of staff of the beneficiary's organization may be verified, as to make sure that the beneficiary has assumed a suitable level of ownership on the project and its outputs.</p> <p>If needed, Controller may request additional proof of event documentation.</p>

3. Incoming mission/B2B meetings

Projects are entitled to receive reimbursement in the form of a lump sum in the total amount set in the table below, for at least **one day (min. 6 hours)** and at least **10 operators gathering in person, from at least two different countries of the programme area⁴**.

	Italy	Albania	Montenegro
Incoming missions & B2B meetings	EUR 23,247	EUR 16,830	EUR 15,067

The milestone of the output implementation is achieved once the minimum no. of 10 operators is reached. This may be reached as a sum of different operators in more than one gathering.

During the preparation, implementation and follow-up of the incoming missions and B2B the partners shall prove that **sufficient quality standards are ensured** (e.g. involving qualified experts, ensuring sufficient services for participants, outcomes of the meeting duly documented, participants satisfaction questionnaire, visibility ensured, communication tools developed etc.), which allows for achieving the project goals, outputs and results.

This means that the Controller shall be in the position to verify with partner reports that the outputs and results are achieved in the expected quality in a reasonable way. In particular, an assessment by participants (through questionnaires, e.g.), and follow up, or equivalent, is required.

Be aware that the Controller and/or programme bodies staff shall be informed about the activity's Agenda with **at least one month notice**. Without prior notice, they can check on site the existence of the activity and fill in a report to be uploaded in the concerned partner report.

A non-exhaustive list of covered costs by the LS carried out by the partner hosting it, as well as the management verification obligations, are listed as follow:

INCOMING MISSION/B2B MEETINGS	INCOMING MISSION/B2B MEETINGS
<u>List of costs covered</u>	<u>Management verifications</u>
<ul style="list-style-type: none"> incoming activities, including travel and accommodation logistical assistance for operators of economic activities rental services and setting up locations 	<p><u>Objective:</u> to verify the reality and existence of the related event.</p> <p><u>Proof to be checked by Controller:</u> Event's documentation uploaded in the partner report, which includes at least:</p> <ul style="list-style-type: none"> Folder preparation: Agenda, invitation, participant lists, event poster, news, publications, studies, etc. A sufficient evidence shall be provided in order to prove

⁴ Incoming mission & B2Bs calculation methodology considers costs incurring for physical meetings of the economic operators and that they originate from at least 2 countries. This might be incompatible to pandemic restrictions etc.

<ul style="list-style-type: none"> • hostess service • interpreter service • catering service • operational secretary, including travel and accommodation • services related to studies, analyses, publications, tools, which are functional for the mission/meeting • preparation and implementation of the promotion campaign for the event • event follow-up (reporting, evaluation, press releases, etc.) • any ancillary activity and related cost necessary to achieve the SCO output. 	<p>to a reasonable extent that the activity was well prepared and communicated beforehand.</p> <ul style="list-style-type: none"> • Folder implementation: Signature lists, photo and video materials, social media and media coverage, promotional kit material, etc. A sufficient evidence shall be provided in order to prove to a reasonable extent that the activity took place. • Folder follow up: Minutes, follow up Summary, activity evaluation forms filled in, signed memorandum of understanding, etc. A sufficient evidence shall be provided in order to prove to a reasonable extent that the activity was followed-up on. <p>A suitable involvement of staff of the beneficiary's organization may be verified, as to make sure that the beneficiary has assumed a suitable level of ownership on the project and its outputs.</p> <p>If needed, Controller may request additional proof of event documentation.</p>
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WARNING

Be aware that **B2B** meetings substantially differ from workshops, seminar and conferences, because of their specific objective, i.e. B2Bs meeting aims at creating significant business relationships between two or more companies. In the meetings the organizer provides an introduction and facilitating services for effective business negotiations.

Incoming missions can also refer to side events, study tours, trendwatching events, in which not only economic operators but also students, teachers, managers of public/ private bodies can participate.

Therefore, the agendas and the methodology shall reflect on these specificities.

4. Lump Sum for Action plan/Model/Methods (ApMM)

The setting up of Action plans/ Models/ Methods (ApMM) may be covered by a specific lump sum (LS).

Typical activities covered by the ApMM lump sum could relate to joint models, joint procedures, joint innovative applications/tools, decision-making models, joint strategic plans, feasibility studies, agreements, etc. and a combination of these, which are shared by the beneficiaries or by the target groups of different territories, and which simplify, harmonize or make procedures and processes, applied to manage specific common issues, more effective across the borders. Project's partners, requesting an ApMM, are entitled to receive reimbursement in the form of a LS of amount as reported in the table below:

	Lump Sum indexed For ApMMs
Italy	14,321€
Albania	9,679€
Montenegro	8,243€

This Lump Sum is paid only to partners, who demonstrate to implement specified activities contributing to the achievement of the final joint output ApMM (see below). The final joint output ApMM is usually reached through several activities carried out by each of the concerned partners.

Take note that the ApMM shall be developed, while ensuring a genuinely joint cross-border nature for it. Therefore, each of the partners effectively contributing to the joint ApMM output, are entitled to the reimbursement of an own ApMM, in relation to the country of the partner, if they demonstrate that they have substantially contributed to.

In order to enable each Controller to verify the achievement of the Lump Sum, the activities carried out shall be described in four typical documents, to be produced by each of the partners concerned and attached to the relevant partner report.

In addition, one joint output of ApMM, including all those contributions by the partners concerned, shall be developed and attached to the related Project Report by the LP (**ie. 1 Joint ApMM, which brings together, in a coherent and integrated way, all the documents produced by each partner involved**).

In case only one partner intends to request a joint ApMM, it shall demonstrate how other project partners are involved and that the cross-border territorial coverage is ensured.

If more partners intend to request each an ApMM for its country, **it is required that maximum one partner per country contributes to the same ApMM.**

A non-exhaustive list of covered costs by the LS carried out by the partner producing its ApMM, as well as the management verification obligations, are listed as follow:

ApMM	ApMM
List of costs covered	Management verifications
<ul style="list-style-type: none"> • executive planning of the activity to define objectives, timing, milestones, outputs (staff cost) • operational secretary and related O&A • external expertise (activity's planning & managing, data collection, handout questionnaires, local surveys, studies, analyses...) • costs for services • preparation of reports & studies • kit realization • preparation and implementation of testing and dissemination of the results • follow-up (reporting, evaluation, press releases, etc.) • any ancillary activity necessary to reach the SCO output. 	<p><u>Objective</u>: to verify that the ApMM produced by the single partner occurred in reality, i.e. that it existed.</p> <p><u>Proof to be checked by Controller</u>: ApMM's documentation uploaded in the partner report, which includes at least:</p> <ul style="list-style-type: none"> • Phase 1 - analysis report (e.g. feasibility study, gap analysis, context analysis, data collection and assessment, etc.), aiming to analyze the cross-border issue the partners intend to tackle through the ApMM; • Phase 2 - management model, process, procedure, application, etc. report, aiming to make specific issue/s more effective and available, as appropriate. This should include a strategic vision related to the initial contribution provided by the project in relation to the affected geographical area, through the involvement of partners and the identification/definition of long-term objectives to be achieved; • Phase 3 - ApMM testing⁵ evidence (e.g. web or practical testing, case study or use in a real situation etc.), aiming to make sure that the ApMM may be applied to real situations. Realistic sequence of actions in relation to each objective to be reached and the related timeline envisaged shall be planned; • Phase 4 - partner's commitment signed by all parties to follow up on the ApMM (agreement, MoU, joint commitment letter, etc.), aiming to certify the willingness of partners to follow up on it (e.g. to take up/adopt the ApMM, to promote it, to further develop it, etc.). <p>Furthermore, to prove to a reasonable extent that the activity took place and was followed-up on, take care to include the following:</p> <ul style="list-style-type: none"> • Evidence of the partner's substantial contribution (i.e. the description of the partner's activity) • Photo and video materials, social media coverage, external expert's opinions, validation, users survey, etc. • dissemination of the results through media coverage, expert or external users evaluations on the activity, etc. • information to JS/NIP/Controller about any gathering planned with at least one month notice. <p>In addition, at project level, the assigned JS Project Officer shall check in the project report, the existence of the Joint ApMM output, covering and summarizing the 4 four phases for all partners concerned, as documented and verified by the national controllers.</p>

⁵ Depending on the nature of the ApMM and its context, the testing phase does not necessarily include an operational implementation of the ApMM within the day-to-day operations of the partner, but it could also be limited to an assessment against real case scenarios, a process modelling tool, etc., in proportion to the amounts set for the LS.

5. Closure Costs

The closure costs will be paid as a lump sum in the total amount of **EUR 5,865 (for Standard Projects) per project to the LP** (including IPA contribution and national co-financing).

For Strategic projects, the lump sum for closure costs can be fixed in the total amount of **EUR 5,865 /partner**, having a minimum budget of **EUR 400,000**.

A non-exhaustive list of covered costs by the LS carried out by the partner concerned, as well as the management verification obligations, are listed as follow:

CLOSURE COSTS <u>List of costs covered</u>	CLOSURE COSTS <u>Management verifications</u>
<ul style="list-style-type: none"> • Final administrative issues, • Editing and production of final project report and Final Report, • external expert costs for closure commitments, • any other cost related to the closure of the operation carried out after the project end date. 	<p><u>Objective</u>: to verify that project closure occurred in reality, i.e. that it existed.</p> <p><u>Proof to be checked</u>: the submission of the Final Project Report (FPR), together with the Final Report, filled in in all its parts, as required.</p> <p>NB. Instead of the National Controllers the Managing Authority, supported by the JS, is performing and confirming the verification of reality and existence.</p> <p>Nevertheless the Controller shall certify the Final Partner report including closure costs.</p>

6. SSUCs for Staff

With reference to the Standard Scale of Unit Costs for Staff, included in the Programme developed own SCOs, take note that its application is suspended.

7. SSUCs for Accompanying actions

The accompanying actions, while strengthening technical-managerial skills and creating new innovative companies, aim at favouring the transfer of skills and know-how, in order to support the transformation of the business ideas into real innovative companies.

Target groups/final beneficiaries of these actions will be individuals, both unemployed and employed and both already constituted in a company or not, **of at least four trainees**.

The cross-border character of the activity shall be proven through a adequate⁶ participation of individuals of at least two countries of the programme area.

Be aware that the Controller and/or programme bodies staff shall be informed about the activity's calendar with **at least one month notice**. Without prior notice, they can check on site the existence of the activity and fill in a report to be uploaded in the concerned partner report.

Beneficiaries are entitled to receive reimbursement in the form of SSUC, differentiated by type of class the trainer belongs to, and the hourly rate per trainee, as reported in the table below:

	SSUC Hourly rate per course Class C	SSUC Hourly rate per course Class B	SSUC Hourly rate per course Class A	SSUC Hourly rate per student
Italy	81.00 €	129.00 €	161.00 €	1.00 €
Albania	48.00 €	77.00 €	97.00 €	1.00 €
Montenegro	54.00 €	86.00 €	107.00 €	1.00 €

CLASS A: trainer with over 15 years of experience;

CLASS B: trainer between 10 and 15 years of experience;

CLASS C: trainer between 5 and 10 years of experience.

WARNING

The template for registration of presence and content overview, included in annex 4.10.1.5, was developed by the Programme in order to provide tool for the partners to correctly document the implementation of the activity. It may be adapted to the concrete circumstances or other templates may be used, provided that they make it possible to verify the conditions set at Programme level.

Partners shall collect trainees' signatures. We also encourage to fill in the **excel table** in order to facilitate the timely and correct verification by the Controller.

⁶ During quality assessment, it will be verified whether the number of travels-stays per individual are adequate, in proportion to the objectives to be reached, the possibility to use online tools and in proportion to the average wage levels in the country concerned.

A non-exhaustive list of covered costs by the SSUC carried out by the partner concerned, as well as the management verification obligations, are listed as follow:

ACCOMPANYING ACTIONS <u>List of costs covered</u>	ACCOMPANYING ACTIONS <u>Management verifications</u>
<p>a) Concept and design b) Development of didactic material c) Teaching/Orientation/Tutoring d) Additional support for disadvantaged users/support teaching e) Exams f) Technical functions g) Location , equipment and Consumables h) Costs for services i) Preparation of reports and studies j) Direction and final activity's evaluation k) Coordination and organizational technical secretariat l) Physical-financial monitoring, reporting m) Evaluation of learning n) Indirect costs o) Any further necessary ancillary activity</p> <p>and possible activities:</p> <ul style="list-style-type: none"> • Carrying out a preliminary market research for an invention and/or a patent or a technology • Implementation of a commercial exploitation plan for an invention and/or a patent or technology • Tutoring and accompanying to the start-up phase of companies, aimed at focusing the business and managing activities • Drafting of the shareholders' agreements • Drafting/revision of a business plan • Support for a business case preparation • Planning of the launch of new products/services and preparation of marketing and communication actions • Preparation of loan agreements with investors • Support for the identification and admission of industrial partners in the new spin off/start up company 	<p><u>Objective:</u> to verify the reality and existence of the related activity.</p> <p><u>Proof to be checked by Controller:</u> Activity's documentation uploaded in the partner report, which includes at least:</p> <ul style="list-style-type: none"> • Folder preparation: call for interest, list of candidates, event poster, agenda, programme, news, etc.. Sufficient evidence shall be provided to prove to a reasonable extent that the activity was well prepared and communicated beforehand. • Folder implementation: accompanying register, Signature lists, Business plan, market research, patenting plan, shareholders' agreements, loan agreements, production of deliverables and achievement of individual milestones by trainees, photo and video materials, social media coverage, etc.. A sufficient evidence shall be provided to prove to a reasonable extent that the activity took place. • Folder follow up: press conference, trainers evaluation forms filled in, Spinoff/Startup constitutive Act, etc. A sufficient evidence shall be provided in order to prove to a reasonable extent that the activities was followed-up on. <p>During the implementation phase or at reporting, the assigned controller shall verify the curricula of the trainers to verify the years of experience, that a register of presence has been provided, and it is daily signed by participants, teachers, tutors, mentors, according to the agenda, and that each participant attended at least the 75% of the total number of hours foreseen.</p> <p>A suitable involvement of staff of the beneficiary's organization may be verified, as to make sure that the beneficiary has assumed a suitable level of ownership on the project and its outputs.</p> <p>If needed, Controller may request additional proof of event documentation.</p>

8. SSUCs for Targeted Training

To consolidate VET systems (Vocational Education and Training and life-long learning) in the programme area, in order to meet the needs of qualified staff and to increase entrepreneurial capacity, a SSUC for targeted trainings has been planned.

The SSUCs for Targeted Training are transposed from ESF-typical actions, therefore the implementation approach is similar and therefore it also encourages IPA beneficiaries to get acquainted to this approach in view of accession.

The cross-border character of the activity shall be proven through an adequate⁷ participation of individuals of at least two countries of the programme area.

Be aware that the Controller and/or programme bodies staff shall be informed about the activity's calendar with **at least one month notice**. Without prior notice, they can check on site the existence of the activity and fill in a report to be uploaded in the concerned partner report.

The maximum duration of the **total training course** shall be **100 hours**, for a maximum number of **20 trainees**.

Projects are entitled to receive reimbursement in the form of Standard-Scale of Unit Costs (SSUC), following **the total amounts for Italian, Albanian and Montenegrin partners set in the tables below**, differentiated by length of module, and by additional specific support and meal allowance⁸.

For 1. Module (without any support and meal allowance)

	SSUC/30hours/trainee	SSUC/60hours/trainee	SSUC/100hours/trainee
Italy	397.00€	795.00€	1,325.00€
Albania	238.00€	476.00€	793.00€
Montenegro	264.00€	528.00€	880.00€

For 2. Module with additional specific support (disadvantaged trainees)

	SSUC/30hours/trainee	SSUC/60hours/trainee	SSUC/100hours/trainee
Italy	430.000€	828.00€	1,358.00€
Albania	258.00 €	496.00€	813.00€
Montenegro	286.00 €	550.00€	902.00€

⁷ During the quality assessment, it will be verified whether the number of travels-stays per individual are adequate, in proportion to the objectives to be reached, the possibility to use online tools and in proportion to the average wage levels in the country concerned.

⁸ If modules 3 or 4 are used in association with SSUC Travel & Accommodation, be careful not to charge daily subsistence twice.

For 3. Module with additional meal allowance

	SSUC/30hours/trainee	SSUC/60hours/trainee	SSUC/100hours/trainee
Italy	475.00€	949.00€	1,583.00€
Albania	284.00€	568.00€	947.00€
Montenegro	315.00€	631.00€	1,052.00€

For 4. Module with additional specific support and meal allowance (disadvantaged trainees)

	SSUC/30hours/trainee	SSUC/60hours/trainee	SSUC/100hours/trainee
Italy	508.00€	982.00€	1,615.00€
Albania	304.00€	588.00€	967.00€
Montenegro	337.00€	653.00€	1,074.00€

A non-exhaustive list of covered costs by the SSUC carried out by the partner concerned, as well as the management verification obligations, are listed as follow:

TARGETED TRAINING List of costs covered	TARGETED TRAINING Management verifications
<ul style="list-style-type: none"> a. Concept and design b. Development of didactic material c. Teaching/Orientation/Tutoring d. Additional support for disadvantaged users/support teaching e. Exams f. Technical functions g. Location, equipment and Consumables i. Costs for services j. Food allowance k. Preparation of reports & studies l. Direction and final evaluation of the training course m. Coordination and organizational technical secretariat n. Physical-financial monitoring, reporting o. Evaluation of learning p. Indirect costs q. any ancillary activities necessary to reach the SCO output. 	<p>Objective: to verify the reality and existence of the related activity. Proof to be checked by Controller: Activity's documentation uploaded in the partner report, which includes at least:</p> <ul style="list-style-type: none"> • Folder preparation: Planning of the course, Call for applicants, invitation, list of professor/tutor /speakers/additional support, event poster, news, food allowance, etc. Sufficient evidence shall be provided to prove to a reasonable extent that the activity was well prepared and communicated beforehand. • Folder implementation: Training register, Didactic materials, projects work, photo and video materials, social media coverage, etc.. Sufficient evidence shall be provided to prove to a reasonable extent that the training took place • Folder follow up: participants gaining a certificate of attendance in classroom training, trainers evaluation forms filled in, dissemination of the competence acquired, etc. Sufficient evidence shall be provided to prove to a reasonable extent that the activities was followed-up on. <p>During the implementation phase or at reporting, the assigned controller shall verify that a register of presence has been provided, and it is daily signed by participants, teachers, according to the agenda, and that each participant attended at least the 75% of the total number of hours foreseen.</p> <p>A suitable involvement of staff of the beneficiary's organization may be verified, as to make sure that the beneficiary has assumed a suitable level of ownership on the project and its outputs.</p>

	If needed, Controller may request additional proof of activity's documentation.
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WARNING

The **template for registration of presence and content overview**, included in annex 4.10.1.5, was developed by the Programme in order to provide tool for the partners to correctly document the implementation of the training activity. It may be adapted to the concrete circumstances or other templates may be used, provided that they make it possible to verify the conditions set at Programme level.

Partners shall collect trainees' signatures. We also encourage to fill in the **excel table** in order to facilitate the timely and correct verification by the controllers.

9. SSUCs for Travel&Accommodation

Only in association with the SSUCs for **Accompanying actions** and the SSUCs for **Targeted Training**, and in order to favor the cross-border character of the activities, it is possible to foresee SSUC for Travel & Accommodation for each participant.

The number of travels and the days of stay must be adequate, i.e. proportional and consistent with the objective, the work plan, the possibility to use online tools, the average wage levels in the country of the individuals concerned and it will be assessed during the quality assessment of the project, in particular the duration of the stays shall be limited and reasonable⁹.

The following SSUCs for Travel&Accommodation are foreseen:

	Puglia- Molise & viceversa Land	Italy- Albania & viceversa Air	Italy- Montenegro & viceversa Air	Albania - Montenegro & viceversa Land	Italy	Albania	Montenegro
Travel	52€	196€	221€	34€			
Accommodation/day					114€	101€	98€
Subsistence daily rate					98€	50€	60€

Management verifications

The proof that the "Travel&Accommodation" SSUC is eligible is strictly linked to the documentation certifying the trainee's real participation in the Accompanying Action/training course:

- **during the implementation phase or at reporting**, the assigned controller shall verify that a register of presence has been provided, that it is daily signed by participants, and that each participant attended at least the 75% of the total number of hours foreseen.
- **at reporting**, the assigned controller shall verify the documentation and request additional proof if any. In particular, to verify the overall stay duration and if air or land transport has been used, return tickets – boarding cards or equivalent with the name of the trainee may be required for the sole purpose of checking the reality and duration of the travel and not the amounts effectively paid (it may be higher or lower). No invoice/receipts for accommodation and daily subsistence are required.

No other trip documentation shall be produced and uploaded.

The cost of travels is in charge to the host partner.

No SSUCs for Trav&Acc are foreseen for trainees belonging from the same area of host partner.

⁹ Number of days in presence shall be efficient, effective and limited as far as possible, considering also the availability and widespread use of online tools, which shall be blended with physical presence.

10. 2% FR for Italian Controller's cost

A 2% Flat Rate, covering both IPA and national co-financing, on total partner's budget (**2% of calculated on all budget lines other than the controller cost**)¹⁰, shall be applied by Italian beneficiaries to cover control external expenditures.

Management verifications

The existence of the output triggering the right to reimbursement of the flat rate to the beneficiary is the certificate issued by the controller (completely filled in, signed and stamped, if applicable), who was assigned to the beneficiary according to national and programme rules, including the control documentation required by the Programme, i.e. any check-lists, report etc.. The existence of the certificate is going to be verified by the Managing Authority, assisted by the Joint Secretariat.

WARNING

Considering the calculation system of Jems, in the case of applying the 20% flat rate on staff costs, the beneficiary may not use the 2% of External Controller cost and shall select an internal controller. This applies also to Flat rate 40% external cost of direct staff cost, which may not be used in addition to 2%.

In case the beneficiary intends to receive anyway the 2% for External Controllers costs, it has to opt for Staff real costs and may not use the 20% staff cost flat rate. The staff cost option shall be selected already during the application phase.

¹⁰ For example: staff cost 10.000€ + 1500€ O&A + 1.500€ Travel + external expertise 50.000€ (without controller cost) = 63.000€; 2% controller = 63.000€*2% = 1.260€. **Total budget=64.260€**

11. Key rules related to management of Small Scale Projects

The Calls identifies very specific management rules for Small Scale Projects on following aspects (see under calls on the Programme website <https://italy-albania-montenegro.eu>). All aspects not mentioned below, are regulated by the same management rules for standard projects, as well as the other fact sheets of the Manual.

WARNING: "Output for the lump sum" is not the "Project Output"!!

"Output for the lump sum" is the concrete activity, such as workshop, conference, meeting, action plan, etc., to be carried out to receive the related lump sum. Sufficient evidence of the existence shall be provided to the Controller and/or to the MA/JS/NIPs, who are responsible for verifying that the activity was effectively delivered, on desk and on-the-spot.

"Project output" is the global outcome of the project workplan, as specified in the application form. The project output contributes to the achievement of a specific programme output (e.g. a joint management model of the project, which contributes to the programme "Joint solution").

Within the reports, the project partner shall make a self-assessment of the achieved SCO output (ie. **through a follow up document**), also on the basis of external feedback, as the event evaluation forms, expert's opinion collected etc. The JS/MA during project monitoring, globally evaluates, whether the project output has been reached, on the basis of contents provided by the Lead partner in the Project Report.

ELIGIBILITY RULES

The dedicated Small Scale Projects grants shall **exclusively** take the form of reimbursement of eligible costs declared by beneficiaries on the basis of a SCOs (lump sums, flat rates and Standard Scale of unit costs).

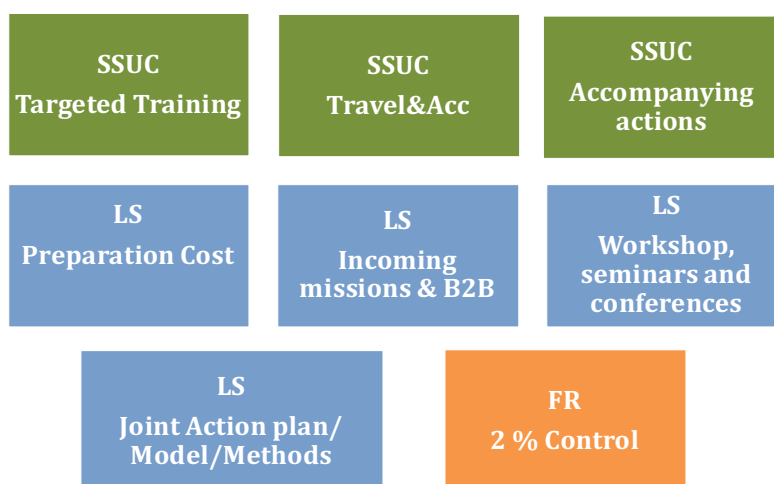
Several SCOs could be combined to cover different activities, and to contribute to the total amount of the project.

Unlike the 2014-2020 period, considering that the maximum budget amount is doubled and in order to ensure that projects have a consistent approach to effectively contribute to the programme objectives, projects including **exclusively** preparation cost, Workshop, seminars and conferences and Incoming missions & B2B meetings **are not admitted, but they shall be combined with other SCOs, unless allowed in the specific Call for Proposal.**

Other than the documentation to prove the reality and existence of the output, no supporting administrative documents have to be provided for the costs during the reporting. Therefore, emphasis is put on the output, to prove that activity took place in the planned way. Once the activity has taken place it will be reported. If the SCO output is completely reached, the project will claim the reimbursement of the full amount certified and budgeted.

The Small Scale Projects grants can exclusively use SCOs for the typologies of actions as follow:

1. Lump sum for Preparation cost;
2. Lump sum for Workshop, seminars and conferences;
3. Lump sum for Incoming missions & B2B meetings;
4. Lump Sum for Joint Action plan/Model/Methods
5. SSUC for Accompanying actions;
6. SSUCs for Targeted Training
7. SSUCs for Travel&Accommodation
8. 2% FR for FLC's cost



DOUBLE FINANCING AND FRAUD

All project partners are reminded that **DOUBLE FINANCING is strictly forbidden** and all partners declared that the operation is not double-financed by other EU funds.

It must be noted that the programme follows a strict anti-fraud policy and any fraud detected at any stage of implementation will be reported to the competent national and EU authorities.

PRE-FINANCING AND PAYMENTS

For Small-Scale-Projects a **pre-financing of 30% of IPA contribution** is paid at the signature of the subsidy contract upon request by the Lead partner. The offset of the pre-financing occurs at the final payment.

For Small Scale Projects, an interim payment shall be released after the achievement of the fixed milestones:

1. A milestone is achieved upon the complete delivery of the first SCOs output or number of SCOs outputs (see below the difference between SCO output and project output/s), being completed at the end of a reporting period. The interim payment should be equal to the sum of the preparation activities, the lump sums related achieved, the SSUCs and flat rate

amounts reported in the relevant project period, upon request by the lead partner in a project report;

2. According to the project duration and the number of periods, including additional periods in case of any extension, there may be as many milestones as number of periods, in which SCO's outputs are completely achieved;
3. The final payment may be released after the achievement of the final milestone, which is the complete delivery of all planned Project outputs.

The SCO output delivery is considered completed after the follow-up of the concerned activities is concluded, including the provision of sufficient documentation related to the achievement of the expected results. If the delivery of a SCO output is not completed, because the expected items have not been fully achieved, the related part of the interim or the final payment may not be released.

As already mentioned **lump sums operate on a binary approach**, and there are no other choices than paying 0% or 100% of the single lump sum. Special attention should be given to the conditions as defined in the subsidy contract (e.g., how the reimbursement of costs can be affected if the conditions have not been fulfilled). If only one output to be financed via a lump sum is indicated and that output is not delivered, no reimbursement is due.

SSUC operates on a modulated approach, that is the value re-parameterized to the real operating conditions.

[Here below you can find 2 examples to better understand the functioning of SCOs.](#)

Example 1:

For an advanced training of 100 hours provided for 20 trainees, the eligible costs may be calculated on the basis of a cost per trainee x number of trainees. The cost has been defined in advance by the Managing authority and is shown in the document setting out the conditions for support.

Assuming (in this example, the amount does not correspond to the real ones, since it is set for simplification purposes) that the managing authority sets the training cost at EUR 1,000 for 100 hours of training per each trainee, the maximum grant allocated to the project for 20 trainees would be capped at $1,000 \text{ €} \times 20 \text{ trainees} = \text{EUR } 20,000$, that includes a maximum of justified absences of 25% of the total number of training hours.

If, at the end of the operation, according to actual participation of trainees and delivered courses, only 18 people participated in the training, 6 of them for 70 hours, and the remaining for a number of hours major than 75 hours, the eligible expenditure will be: $\text{EUR } 1,000 \text{ EUR} \times 12 \text{ trainees} = \text{EUR } 12,000$.

Example 2: be aware that in this example, the amount does not correspond to the real ones, since it is set only for understanding purposes

BUDGET

		Workshops seminars...	B2B & Incoming mission	Joint Action Plan	Targeted Trainings	Tr&Acc	Preparation	Subtotal + 2% FLC	Total
LP	IT	18.600,00 €	23.000,00 €	14.800,00 €	4.316,00 €	6.330,00 €	5.600,00 €	74.098,92 €	74.098,92 €
PP1	AL	13.400,00 €	16.800,00 €	9.900,00 €					40.100,00 €
PP2	ME	12.600,00 €	14.900,00 €	11.000,00 €					38.500,00 €
									152.698,92 €

REPORTING

Project Reporting		Period 0	Period 1	Period 2	Total	Total IPA	Total co-fin
LP	IT	5.712,00 €	42.432,00 €	25.954,92 €	74.098,92 €	59.279,14 €	14.819,78 €
PP1	AL		13.400,00 €	26.700,00 €	40.100,00 €	34.085,00 €	6.015,00 €
PP2	ME		12.600,00 €	25.900,00 €	38.500,00 €	32.725,00 €	5.775,00 €
		5.712,00 €	68.432,00 €	78.554,92 €	152.698,92 €	126.089,14 €	26.609,78 €
			1st milestone	2nd milestone			

Payments IPA

Advance (30%)	37.826,74 €	At project signature
1st Milestone	74.144,00 €	End of first period
2nd Milestone	14.118,40 €	End of second period
	126.089,14 €	

PROJECT CHANGES

An extension of project duration shall be approved by the Managing Authority for maximum six months.

The reduction of total outputs and related SCO's costs require the prior approval.

Transfers of SCO outputs and related SCO's costs among beneficiaries are possible only if:

- the transfer of the SCO's gives a reduction in the total amount of the approved project;
- the SCO's output of the concerned work package is not already delivered (and submitted in a partner report);
- the transfers are justified by the technical and scientific implementation of the action;
- a review confirms that the amendment does not call into question the decision awarding the grant or breach the principle of equal treatment;
- each partner's contribution to the project implementation is ensured.

Programme reference documents

- Subsidy contract
- Partnership agreement
- SA Programme Manual
 - Factsheet 4.1 Project reporting
 - Factsheet 4.10 Eligibility rules
- Annex 4.10.1.1 CHECK LIST Management verification Simplified Cost Options - on the spot/on desk
- Annex 4.10.1.2 Template - Event evaluation form
- Annex 4.10.1.3 Template - Registration form at events
- Annex 4.10.1.4 Template Event agenda
- Annex 4.10.1.5 Template_Training_Accompanying Action