

Cooperation Programme Interreg Greece-Italy 2021-2027

6th Programming Committee Meeting
October 21, 2021

AGENDA

Small Project Fund

- Definition
- Legal Requirements
- Procedures
- Other Requirements
- Differences between Small Projects and SPF
- Advantages of Small Projects and SPF
- Challenges of Small Projects and SPF



Definition

- Although the term **Small Project Fund (SPF)** has been recognised among Interreg programmes for many years, the definition of an SPF appeared for the first time in the CPR for the 2021 -2027 programming period
- Article 2(10) of the CPR defines the SPF as '*(...) an operation in an Interreg programme aimed at the selection and implementation of projects, including people-to-people actions, of limited financial volume*'
- Legal issues:
 - The SPF is an operation within the meaning of Article 2(4) of the CPR, and beneficiaries of small projects are defined as “recipients”
 - An SPF beneficiary is not an Intermediate Body

Legal Requirements (1/3)

Interreg Regulation, Article 25

- The total contribution from the ERDF to small project funds within an Interreg programme shall not exceed **20%** of the total allocation of the Interreg programme.
- The final recipients within a small project fund shall receive support from the ERDF through the beneficiary and implement the small projects within that small project fund ('small project').
- The small project fund constitutes an operation which shall be managed by a beneficiary, taking into account its tasks and remuneration. The beneficiary shall be a **cross-border legal body** or an **EGTC** or a **body which shall have legal personality**.

Legal Requirements (2/3)

Interreg Regulation, Article 25

- The beneficiary shall select the small projects which are implemented by the final recipients. Where the beneficiary is not a cross-border legal body or an EGTC, a body involving representatives from at least two participating countries, of which at least one is a Member State, shall select the joint small projects.
- The selection of small projects shall not constitute a delegation of tasks from the Managing Authority to an Intermediate Body.
- Staff and other costs generated at the level of the beneficiary for the management of the small project fund or funds shall not exceed 20% of the total eligible cost of the small project fund or funds, respectively.

Legal Requirements (3/3)

Interreg Regulation, Article 25

- Where the public contribution to a small project does not exceed EUR 100.000, the contribution from the ERDF shall take the form of unit costs or lump sums or flat rate financing, except for projects for which the support constitutes State aid.
- Where the total costs of each project do not exceed EUR 100.000, the amount of support for one or more small projects may be set out on the basis of a draft budget which is established on a case-by-case basis and agreed ex ante by the beneficiary managing the small project fund.
- Where flat-rate financing is used, the categories of costs to which the flat rate is applied may be reimbursed.

Procedures

- The intent to set up an SPF should be indicated in the programme in Section 6, as well as in the description of the relevant priorities / specific objectives. If the programme prefers a more visible signal, the SPF may be considered a **strategic operation**.
- The SPF is implemented by a selected beneficiary. The selection of the SPF beneficiary is for the programme to decide; i.e. either a body is “entrusted” with the task by the MC or the SPF is selected in a call. Whatever the choice will be, the SPF is an operation and as such requires approval of the MC.
- An SPF beneficiary selects the final recipient(s) who implement(s) small project(s).
- Only one SPF beneficiary can manage one fund. There is no option to have partnerships managing an SPF.

Other Requirements

- **The SPF is a project and the SPF beneficiary is not an Intermediate Body. Still, the SPF is to some extent also an implementation system, and it is essential to establish a sound cooperation between the SPF beneficiary and the MA/JS. Thus, it is very likely that there will be mutual agreements between the two parties going beyond the usual contents of an ERDF contract issued by the MA:**
 - **Management functions**
 - **Monitoring**
 - **Use of SCOs and management verification**
 - **Communication**
- **Mandatory use of SCOs: ERDF for all small projects with a maximum public contribution of EUR 100.000 must take the form of unit costs or lump sums or include flat rates.**

Differences between Small Projects and SPF

| Small projects in regular calls | Small Project Fund |
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| The procedures are rather centralized and mostly the same for all projects, regardless of size or other characteristics | Programme selects an "Umbrella" project, which operates as an intermediary "Programme Body" |
| Specific objectives in the co-operation programme give a clear framework of measures, the programme opens the Calls directly | Specific measures are elaborated as part of the "Umbrella" project. Umbrella project organisations are responsible for opening a Call for small project proposals |
| The programme´s Monitoring/Steering Committee selects the small projects | Small projects are selected by a Selection Committee (different from the programme´s Monitoring Committee) established by regional stakeholders. Other programme bodies have an advisory role (sometimes with veto right) |
| Usual programme bodies are responsible for the programme management related activities of small projects, providing the sufficient resources | Majority of programme management related activities (e.g., preparation and launch of Calls, assessment of applications, selection and contracting of projects, etc.) are delegated to the Lead/Sole Beneficiary of the Umbrella project, which provides the sufficient human resources |
| First Level Control is carried out by the same institutions doing the validations for all projects | First Level Control is carried out by the same institutions doing the validations for regular projects and/or by the Umbrella project organizations |
| Small projects are recorded in the programme´s monitoring system the same way as regular projects | Small projects are not recorded in the programme´s monitoring system directly, only as part of the Small Project Fund |

Advantages of Small Projects and SPF

| Small projects in regular calls | Small Project Fund |
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| Same rules on programme level, easy to follow for beneficiaries | Extended simplification of procedures for beneficiaries |
| Decision made by the same Selection body of the programme | The Selection Committee has detailed and up-to-date knowledge on local level |
| No separate funds for intermediary bodies | Extensive involvement of local actors |
| No time needed for selection and contracting of Umbrella projects | Umbrella organisations are able to provide tailor-made advices to small projects "on-the spot" |

Challenges of Small Projects and SPF

| Small projects in regular calls | Small Project Fund |
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| Involvement of real local actors, generating new interactions, avoiding the trap of "Beneficiaries as usual" | Conflict of interest (Umbrella organizations cannot participate in projects) |
| Large number of small projects requiring the same administrative procedures from the programme bodies like standard projects | Additional designation/audit requirements, e.g., the Umbrella organizations must have been audited |
| Link between local needs and programme objectives, contribution to programme level indicators | Potential overlapping of control levels |
| Small projects "compete" with regular projects | Costs of the Umbrella project must not exceed 20% of the Small Project Fund |
| Regulatory framework is not flexible enough | No specific regulatory framework |

DISCUSSION