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IPA Greece – Albania

**Info-Day for the 2nd Call and 3rd Call for Project Proposals –
Operations of Strategic Importance**

GREECE – ALBANIA 2021-2027

Info Day for Strategic Projects
On-Line, June 2025

Interreg VI-A IPA CBC 'Greece-Albania 2021-2027' Programme
CCI: 2021TC16IPCB010
C (2022) 8883 final – 29.11.2022



Regulatory Framework for Expenditure Eligibility

1. Regulation (EU) 2021/1060: Articles 53 – 55
2. Regulation (EU) 2021/1059: Article 39 "Staff Costs"
3. Ministerial Decision 45820/17.5.2023 (Government Gazette 3281/B/17-5-2023): "Rules on the eligibility of expenditures, procedure for the control of public contracts, and the procedure for submission & evaluation of objections by beneficiaries of the INTERREG 2021–2027 Programmes", Articles 13 "Staff Costs" and 14 "Types of Staff Costs"

Staff Costs

(Articles 13 & 14 of Ministerial Decision 45820/2023 and Document 61665/11.06.2019 of the National Coordination Authority – EYTHY)

These refer to staff costs incurred for activities related to the project implementation. The staff involved in the project is classified as follows:

- (a) Regular staff** of the beneficiary, employed under an employment relationship (e.g. permanent employees or those with an open-ended employment/occupation contract), and
- (b) Temporary staff**, employed by the beneficiary either under:
 - a fixed-term employment contract (full-time or part-time), or
 - a service contract (contract for independent services).

To justify the costs of **regular staff** on a **REA; cost basis**, the following is required:

Set up of the Project Team within the organisation that will be involved in the implementation of the project, including their tasks in relation to the project's physical outputs and the time they will dedicate to the project.

Details of the Selection Procedure for the above personnel.

- For **permanent staff**, supporting documents such as the employment contract (e.g. contract of employment), appointment act (e.g. publication in the Government Gazette), or payroll statement must be provided.
- For **temporary staff**, the relevant call for expression of interest and documentation of the selection and contract-signing process must be submitted.

3. Existence of monthly **detailed global timesheets** that record the actual hours worked by the employee per day for each project or other activity of the beneficiary, signed by both the employee and the responsible person from the beneficiary's management.

In cases where the employee is engaged in the project for its entirety or for a fixed percentage of their contractual time, **timesheets are NOT REQUIRED**; instead, a certificate from the beneficiary's management responsible person must be provided, co-signed by the employee, confirming the percentage of the individual's engagement in the project.

4. Payroll statements showing the **gross annual salary**, the corresponding **social security contributions**, and any **allowances** for the reference year on which the **calculation of the gross hourly employment cost is based**.

For the documentation of expenses based on the **real cost** of **TEMPORARY staff employed under a fixed-term employment contract**, the following are required:

- The fixed-term employment contract.
- In cases where the individual works on more than one project and their employment does not represent a fixed percentage of their contractual time, **monthly detailed global timesheets** are required, showing the actual hours worked per day and per project, signed by both the employee and the responsible person from the beneficiary's management.
- In cases where the individual works on the project for the entirety or a fixed percentage of their contractual time, **ONLY a certificate** from the responsible person of the beneficiary's management is required, co-signed by the employee, confirming the percentage of their employment on the project.
- **Payroll statements** with the **gross** annual salary.

For the documentation of expenses based on the **real cost of temporary staff employed under a service contract (Project based Contract)**, the following are required:

- **The Project based Contract**, for which a call for expressions of interest has been published for at least ten (10) days on the beneficiary's and/or the program's website, specifying the professional qualifications required by the nature and purpose of the project to be implemented.
- Approval from the competent authority, as applicable, for personnel in the public and broader public sector, where required.
- **A certificate of acceptance** of the work by the beneficiary for the corresponding period.

In the case of **staff costs calculated as a FLAT rate** — a rare case:

- The beneficiary submits for verification only **a report on the tasks performed**, from each staff member participating in the project, for the corresponding period.
- During verification, only the correct application of the respective percentage per verification request is checked, according to the approved Application Form.

Cases of staff costs (real cost)

- The selection of temporary staff for the needs of the project, under any type of contract (fixed-term employment contract, project based contract), is made with a “call for expression of interest,” in compliance with the applicable legislation and the principles of equal treatment, non-discrimination, gender equality, and transparency.
- Personnel of the beneficiary charged to the regular budget (e.g., public servants) work on the project through overtime, always in accordance with the National framework.

Cases of staff costs (real cost)

When the staff member is employed on the project based on hours that vary month to month, the employment cost is calculated as the product **of the number of hours worked on the project**, as recorded in the timesheets, **and the annual hourly employment cost**, which is calculated as the quotient of:

- the last documented (12 consecutive months) annual employment cost divided by the number of 1.720 productive hours (Reg. 1060/2021, art. 55, par. 2a), or
- the last documented monthly employment cost divided by the average monthly working time (Reg. 1060/2021, art. 55, par. 2b).

The gross employment cost consists of: the gross salary of the employee + employer social security contributions + allowances/benefits regularly granted to the employee (e.g., position allowance, etc.).

Persons employed for the duration of the project on the basis of a Project Based Contracts.

- a) The person works under the instructions of the beneficiary and, unless otherwise agreed, at the beneficiary's premises and/or the project implementation site.
- b) The result/deliverable of the work belongs to the beneficiary.
- c) The contract must include at a minimum the scope of work, remuneration, schedule, place of work, method of deliverable acceptance, and method of payment, and it must state that the work is exclusively related to the needs of the project for which it is concluded.

d) The remuneration of the person is determined based on the time requirements needed to complete the provided work and is not significantly different from that of the beneficiary's own staff performing similar duties, or if the beneficiary does not have such staff, from what is found in the market for similar employment, qualifications, and experience. The remuneration must be **closely linked to the project implementation stages**.

ATTENTION: A clause stipulating payment in monthly installments or other time frames without connection to the progress and/or deliverables of the work is **NOT ELIGIBLE**.

e) The contract's scope **DOES NOT cover the beneficiary's permanent and ongoing needs**. Employment for tasks unrelated to the contract's object renders the contract expenses **ineligible**.

Special Issues

- If the personnel participation in the project is based on hours worked, overtime costs are **NOT eligible**.
- However, in the case of part-time employment of a natural person with a fixed percentage of their contractual time, overtime **is eligible** (for real cost).
- The hourly employment cost remains constant throughout the project implementation. In some cases (project duration longer than 12 months), the hourly cost may be redefined provided that this does not affect the project budget.

PROCEDURES / POINTS TO AVOID

- **Incorrect calculation of the hourly wage**

In the case of "additional employment" where no employer's contributions were charged, the beneficiary included employer contributions in the numerator — this is incorrect.

- **Mismatch between declared expenses and the “time-sheets”, or absence of “global time-sheets”.**

- **Hiring personnel without any “Call for expression of interest” or other publicity procedure.**

In such cases even if the organization assumes this is legal according to its statute, the expenses are legal and regular but **NOT eligible** for co-financing from the Program (principle of equal treatment, non-discrimination, and transparency).

PROCEDURES / POINTS TO AVOID

- **Hiring of a person following a proper call for expression of interest. Subsequently, the person resigns.** The remaining amount of the contract is assigned "directly" to another temporary staff member without any open recruitment procedure.
- **Insufficient or incorrect supporting information/documentation:**
The relevant documents for the “audit trail” were missing.
- **Call for expression of interest specifying a particular “degree”:**
If the degree does not correspond to the nature of the project, the phrase “or equivalent” should be included. In any case, relevant documentation should be requested from the beneficiary.
- **Different formats of “time-sheets” compared to the standard “time-sheets”:**
If the submitted documents (timesheet-type) contain the required information, they are accepted provided that both the Program and the project acronym are clearly indicated.

BE CAREFUL

- **Difference in procedures between the cost categories "staff" and "external expertise and services":**
- In the case of "**staff**," the beneficiary requests a person with specific qualifications to perform a service, which is done through a "call for expression of interest."
- In the case of "**external expertise and services**," the beneficiary requests the execution of a service from a natural or legal person (according to Law 4412/2016 - Law 4782/2021).

We thank you for your attention!