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IPA Greece – Albania

MANAGEMENT VERIFICATION PROCEDURES -
- INTERREG PROGRAMMES 2021–2027

INTERREG VI-A IPA “Greece–Albania 2021-2027”

Info Day on Project Implementation

September 2025

Interreg VI-A IPA CBC ‘Greece-Albania 2021-2027’ Programme

CCI: 2021TC16IPCB010

C (2022) 8883 final – 29.11.2022

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Institutional Framework for Management Verification Procedures

- ✓ Regulation (EU) 2021/1060: Article 74
- ✓ Regulation (EU) 2021/1059: Article 46
- ✓ Regulation (EU) 2021/1059: Articles 38–44
- ✓ Ministerial Decision 45820/17.5.2023
- ✓ Decision C(2019) 3452 final/14.5.2019
- ✓ JMD on Financial Corrections for Interreg



Institutional Framework for Management Verification Procedures

For GREEK BENEFICIARIES

- Law 4914/2022 : art. 39, 66, par. 3, c
- 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"

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For ALBANIAN BENEFICIARIES

- Law No. 75/2024 “For the Ratification of the Financing Agreement between the Republic of Albania, represented by its Council of Ministers, the Hellenic Republic, and the European Commission, for the Cross-Border Cooperation Programme (Interreg VI-A) IPA Greece–Albania 2021–2027”



Primary Objectives of Management Verifications

- *Co-financed products/services delivered*
- *Compliance with laws/programme rules*
- *Accuracy of expenditure statement*
- *Eligible territory, period and costs*
- *No double financing*

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Actual Costs vs Simplified Cost Options (SCOs)

- ***Actual Costs:***
 - ***Costs incurred and paid***
 - ***Separate accounting system for all project transactions***

- ***SCOs:***
 - ***Relevant conditions fulfilled (based on the management verification guidelines)***

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General Framework For Management Verifications

- *Risk-based planning*
- *Detailed in Document “O.3” of MCS regarding the methodology for carrying out management verifications on the basis of a Risk Assessment*
- *Implemented via MIS*

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

GREECE – ALBANIA 2021-2027

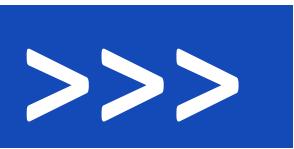
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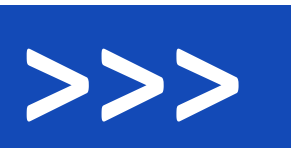


METHODOLOGY FOR CARRYING OUT MANAGEMENT VERIFICATIONS IN “INTERREG 2021–2027” PROGRAMS ON THE BASIS OF A RISK ASSESSMENT



Key elements for 2021–2027

- ✓ Both administrative and on-the-spot management verifications are based on **risk assessment** and are proportionate to the identified risks (Article 74, par. 2 CPR).
- ✓ The Managing Authority prepares **in advance and in writing** a risk assessment that must also cover how the principle of proportionality will be applied in practice (e.g., criteria for carrying out verifications proportionate to the types and levels of risk).
- ✓ Management verifications must be carried out before the submission of accounts to the EU.
- ✓ To ensure equal treatment and align with the cooperation objective of Interreg programmes, risk assessments and control decisions must be based on **common principles**, regardless of the country or project.



Use of a **common electronic tool (MIS)** for management verifications.

- ✓ **Joint risk analysis** for both administrative and on-the-spot verifications.
 - ✓ Selection of **risk factors** and **minimum coverage**.
- ✓ **Centralized and decentralized control systems** apply the risk assessment methodology.

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General Principles

- ✓ The **risk assessment** is based on beneficiary and project data and is conducted **electronically via the MIS**.
- ✓ Risk factors receive values and scores **automatically** through the MIS, ensuring reliability and transparency.
- ✓ **Initial assessment** is done immediately after project approval based on data entered into the Application Form.
- ✓ Scores are **automatically updated** during project implementation.
- ✓ Administrative verification is based on **monthly risk assessments**.
- ✓ On-the-spot verification is based on **semi-annual risk assessments**.

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Risk Factors (12 total)

Apply to both the **project and the beneficiary**. Scoring for each factor is based on:

- ✓ **Primary data** entered into corresponding MIS fields (from fixed or variable parameters), and
- ✓ **Derived elements** like the percentage of financial corrections imposed on the beneficiary.
- ✓ **Processing and calculations are done automatically by the MIS.**

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Indicative Risk Factors

For Beneficiaries:

- ✓ Type of Beneficiary (e.g., public vs. private sector).
- ✓ Correction History (percentage of corrections in past and current projects).
- ✓ Number of Ongoing Projects.

For Projects:

- ✓ Project Complexity (number of deliverables).
- ✓ Duration (>3 years = high risk).
- ✓ Modifications (>5 = high risk).
- ✓ Total budget / expenses.



Administrative Verifications

Rules and criteria apply on two levels:

- ✓ **A. Beneficiary Payment Claim (BPC) level**
- ✓ **B. Expenditure items within each BPC**

BPC Selection Criteria:

- ✓ **High Risk:** Verify **all BPCs**
- ✓ **Medium Risk:** Verify **3 BPCs** (1st, 30%, 70% progress)
- ✓ **Low Risk:** Verify **2 BPCs** (1st and 70% progress)



Selecting BPCs for Verification

- ✓ The **first BPC** of every beneficiary **must** be verified.
- ✓ For **infrastructure projects**, the **first relevant request** is verified.
- ✓ Based on risk level, the **minimum number** of BPCs to be verified is defined.
- ✓ BPCs to be verified are flagged in the MIS as “**for verification**” (visible to controllers, not to beneficiaries).
- ✓ Beneficiaries attach to the BPC all required documentation as normal.
- ✓ Controllers may select additional BPCs with proper justification

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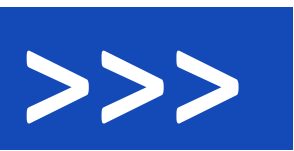
Minimum Coverage:

- ✓ 20% of total expenditure
- ✓ 30% of items per BPC
- ✓ For large number of items (>150): 15% of value & 15% of items

Selection Based On:

- ✓ Items with high amount ($\geq 10\%$)
- ✓ Unusual or suspicious ¹⁷ items (controller's professional judgment)
- ✓ Random sampling

Controllers may **increase coverage** percentages.



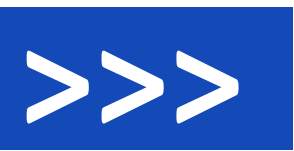
Sample Expansion

If **irregularities** are found:

- ✓ Identify items with **common characteristics** (e.g., processes, documents).
- ✓ If similar findings are found in the expanded sample, the controller may:
 - ✓ Further **expand the sample**, and/or
 - ✓ Decide to carry out an **on-the-spot verification**

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If findings in the BPC may affect previous BPCs, an **on-the-spot verification** can be planned.



On-the-Spot Verifications - Steps:

1. Risk assessment
2. Define initial population
3. Determine sample size (15% of projects + 20% of expenditure)
4. Select based on predefined criteria (e.g., completion status, issues, complaints)
5. Population stratification (50% high risk, 30% medium, 20% low)
6. Finalise sample
7. Include projects with no financial activity
8. Schedule "on-the-spot" verifications in MIS
9. Monitor the "on-the-spot" plan

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Review – Revision of the Methodology

Conducted **annually**, considering:

- ✓ Reports from the Audit Authority
- ✓ Results of verifications
- ✓ EU and European Court of Auditors inspections
- ✓ Suspected fraud cases
- ✓ Changes in the Management and Control System (MCS)

If necessary:

- ✓ Revise the methodology²⁰
- ✓ Adjust the MIS
- ✓ Provide additional training to FLC Authorities and beneficiaries in both countries

Guidance for GREEK BENEFICIARIES

We would also like the **Greek Beneficiaries to submit in the MIS with the BPC** the following:

Declarations of Law 1599/1986 of the Accounting Office of the Beneficiary:

- o with the codes of the Accounting Plan created to follow the expenses of the project according to its budget,
- o with the codes of the Accounting Plan created to follow any income from the income from the exploitation of the project results,
- o with the codes of the Accounting Plan that it has created to monitor the flows of the Union and National Participation,
- o with the number of the special bank account, as required by the Programme,
- o with the code of the Accounting Plan that it has created to monitor the movements of the special bank account.

- **Declaration of Law 1599/1986** of the legal representative of the Beneficiary that the declared expenses have not been financed by another National or Union source
- **Declaration of Law 1599/1986** of the legal representative of the Beneficiary on the respect of the principle of equal opportunities. Specifically, it must cover the following (where applicable):
 - o During the project personnel selection process, the principles of equal opportunities were respected
 - o Equality is promoted in the internal management structures of the project (e.g. in the Monitoring Committees, in the working groups, etc.)
 - o There are no obstacles to those who wish to participate in the project events/conferences (e.g. places with easy access are preferred)
 - o That all national rules on equality have been respected.

- **Declaration of Law 1599/1986** of the legal representative of the Beneficiary for compliance with the Union and National Legislation on environmental impacts and the legislation on alternative management of excavation, construction and demolition waste (where applicable). In addition, it must be stated that all necessary documents of compliance with the Union and National legislation have been submitted to the competent bodies (e.g. building or installation permit, feasibility study, etc. - where applicable).

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- **Declaration of Law 1599/1986** of the legal representative of the Beneficiary regarding non-production of revenue (where applicable).

Tendering Procedures by Private Bodies

Private law legal entities (e.g. “Non-profit” organizations, associations, unions, non-governmental organizations, civil non-profit companies, etc.)

participating as project beneficiaries in the Programme **must follow**

“proportionately” the Greek legislation on public contracts in

accordance with the provisions of Law 4412/2016 as in force - e.g.

compliance with limits, tender procedure through KIMDIS - ESIDIS, etc.).

Compliance with the publication rules of the Digital Transparency of “DIAVGEIA”

According to a. 83 of Law 4727/2020, “Civil law Non-Profit Companies, Associations, Foundations, Social Cooperative Enterprises and other non-profit entities that are subsidized in any way by the General Government entities of a.14 of Law 4270/2014, with an amount exceeding 3.000€ in total, annually, **are required to publish on the website of “Diavgeia”, in the “Register of Subsidised Entities”** (<https://mef.diavgeia.gov.gr>) accounting data on expenses, which include the legal documents relating to the amount of the subsidy for the operation in which they participate, with a specific reference to the issuer and of the recipient of the document, as well as the object and amount of the transaction. This obligation also includes any subsidy from co-financed Programs. Failure to publish the above statements entails the exclusion of the obligated entities from any further subsidy or financing from General Government entities, under a.14 of Law 4270/2014.”

Value Added Tax (VAT)

VAT is an eligible expenditure for the Programme (Article 64 CPR) for:

- i) operations whose total cost is less than EUR 5.000,000 (including VAT), and
- ii) operations whose total cost is at least EUR 5,000,000 (including VAT) when it is not recoverable under national VAT legislation.

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VAT for operations whose total cost is less than EUR 5.000,000 (including VAT)

- In case the Beneficiary is **NOT subject to VAT**, the amount financed by the programme referred to in the AF also includes VAT, which is eligible for co-financing by the Programme.

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VAT for operations whose total cost is less than EUR 5.000,000 (including VAT)

- In case of **mandatory subjection of the Beneficiary to VAT**, we have the following cases:
 - a. **Case of non-recovery of VAT by the beneficiary.**

In this case, the amount financed by the programme referred to in the AF includes VAT.

VAT is considered eligible, is accounted for in the corresponding expenses code and is eligible for co-financing. It will also NOT be declared in the relevant periodic VAT return of the beneficiary so as not to be requested for recovery. A Solemn Declaration²⁹ of the legal representative of the beneficiary will be required stating that the entity has not taken and will not take the relevant actions to recover VAT for the specific project. All of the above should be posted by the beneficiary on the relevant MIS screen when submitting the PFD.

VAT for operations whose total cost is less than EUR 5.000,000 (including VAT)

- In case of **mandatory subjection of the Beneficiary to VAT**, we have the following cases:

b. Case of recovery or offsetting.

In this case, the amount financed by the programme, reported in the AF **should NOT include VAT**.

If the beneficiary intends to recover VAT by submitting a periodic declaration, it will register the VAT amount in the corresponding VAT accounting code and will not be eligible for co-financing from the Programme (due to "double financing"), so the beneficiary will not declare it for verification in the relevant BPC.



Thank you for your attention

Anastasia Evangelidou

UNIT C' - "MANAGEMENT VERIFICATIONS"
MANAGING AUTHORITY INTERREG 2021-2027
GENERAL SECRETARIAT FOR NSRF
MINISTRY OF NATIONAL ECONOMY AND FINANCE

Addr.: Leoforos Georgikis Scholis 65, GRC-570 01,
Thessaloniki, Greece
Tel: +30 2310 469600, 675
Email: aevaggelidou@mou.gr
Website: www.interreg.gr



Administrative Verification Steps

- Submission of “*Beneficiary Payment Claim*” (BPC) via MIS (status “SUBMITTED”), preferably quarterly and if the expense exceeds €10,000
- Automatic “stratification” based on risk criteria
- *Verification of sampled expenses* by a controller (status becomes “VERIFIED”)
- Required documents are stored/uploaded electronically in MIS (large files may be hosted on Google Drive)

Non-Sampled BPCs

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- Finalized as Approved'
- No admin verification section needed



Administrative Verification Steps

- Submission of “Beneficiary Payment Claim” (BPC) via MIS (status “SUBMITTED”), is made preferably quarterly and if the expense exceeds **€10,000**.
- The amount of **10.000€** is **purely indicative** and we urge you to submit BPC via MIS with the highest amounts of expenses possible.
- Of course there might be exceptional cases where the JS will urge you to submit BPC with small amounts of expenses if for example the N+3 rule must be met.



Administrative Verifications Details

- Accuracy and completeness of **supporting documents**
- If **missing documents are found**, the controller informs the beneficiary via MIS to submit them within 5 working days
- The results are recorded in the **Administrative Verification Report**
- Completed within **15 working days**

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If no findings: BPC is marked as "Approved"

- If ineligible or irregular expenses are found: corrections, recovery, or **payment reductions** are imposed
- If findings don't have financial impact: **recommendations** are issued



Administrative Verifications: Preliminary Report and Objection Process

- Preliminary report submitted via MIS to the beneficiary **within 5 days of** finalization in MIS (with the certification, table of expenditure and control check list).
- Beneficiary may submit **objections or compliance evidence** within 5 working days
- The **controller reviews** them within 10 working days
- If needed, **“on-the-spot” verification is planned**. The verification report is finalized within 15 working days from “on-the-spot” date.

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Administrative Verifications: Final Report Approval and Follow-up

- Final report submitted to the beneficiary, via MIS, within 5 days of finalization in MIS
- If recommendations are included, MA monitors compliance
- If irregular expenses are identified and corrections/recovery are suggested, public funding must be reimbursed according to the Financial Corrections Decision (JMD)

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On-the-spot Verifications: Control of Project Implementation

- Scheduled semiannually, based on risk - By June 30 (1st half) and by December 31 (2nd half)

During “on-the-spot”:

- **Physical progress** is checked
 - **Original documentation** and accounting system are reviewed
 - Expenses not verifiable administratively (e.g., equipment, infrastructure) are checked
- If supporting documents are missing, beneficiaries must submit them within 5 days
 - If needed during report drafting, further documents may be requested and submitted by the beneficiary within 5 days
 - If no findings: the report is finalized and submitted to the beneficiary, via MIS, within 15 working days



On-the-spot Verifications: Control of Project Implementation

If Findings Exist:

- Preliminary report submitted to the beneficiary, via MIS, within 15 working days
- Beneficiary may submit “objections” within 5 working days
- The controller reviews objections within 10 working days

- If more examination is needed, a supplementary verification may occur. In this case, the final report completed within 10 working days from the “supplementary verification” date³⁸
- *Final report submitted to the beneficiary, via MIS, and recovery procedures are initiated if unjustified/illegal amounts were paid*

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ELIGIBILITY OF EXPENDITURE
Administrative Costs

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Regulatory Framework for Expenditure Eligibility

1. “Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018” on the financial rules applicable to the general budget of the Union, amending Regulations (EU) Nos 1296/2013, 1301/2013, 1303/2013, 1304/2013, 1309/2013, 1316/2013, 223/2014, 283/2014, and Decision No 541/2014/EU, and repealing Regulation (EU, Euratom) No 966/2012 (*Financial regulation*).

- *Gazeta Zyrtare L 193, 30.7.2018, f. 1-222*

2. Law No. 75/2024: “For the Ratification of the Financing Agreement between the Republic of Albania, represented by its Council of Ministers, the Hellenic Republic, and the European Commission, for the Cross-Border Cooperation Programme (Interreg VI-A) IPA Greece–Albania 2021–2027”

3. Law No. 162/2020 (in effect) Law No. 16/2024 (amendments) on Public Procurement

LIGJI NR. 162 DATE 23.12.2020 PER PROKURIMIN PUBLIK

Ligji 16/2024 “Per disa shtesa dhe ndryshime ne ligjin Nr. 162/2020 “Per prokurimin publik”



Regulatory Framework for Expenditure Eligibility

Regulatory Framework for Expenditure Eligibility FOR GREEK BENEFICIARIES

1. Regulation (EU) 2021/1059: Article 40 “Office and Administrative Expenditure”

2. Ministerial Decision 45820/17.5.2023 (Government Gazette 3281/B/17-5-2023) “Rules on expenditure eligibility, public procurement audit procedures, and the procedure for submitting and evaluating objections by beneficiaries of actions under the INTERREG 2021–2027 Programmes,” Article 15 “Office and Administrative Expenditure”

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Administrative expenditures

Office and administrative expenditures refer **ONLY** to the following costs related to the implementation of the project:

- | | | |
|---|----|--|
| <ul style="list-style-type: none"> a) office rent, b) insurance and taxes related to the buildings housing the staff and to office equipment (such as fire or theft insurance), c) utility services (such as electricity, heating, water supply), d) office supplies, e) accounting services, f) record-keeping | 42 | <ul style="list-style-type: none"> g) maintenance, cleaning, and repairs, h) security, i) IT systems, j) communication (such as telephone, fax, internet access, postal services, business cards), k) bank charges for opening and managing the account(s), when a separate account is required for the implementation of a project, and expenses for transnational financial transactions. |
|---|----|--|



Administrative expenditures

Administrative Expenditures can be calculated:

- (a) **Directly,**
- (b) **Indirectly,**
- (c) **As a flat rate** of the gross staff costs, in accordance with Article 54, first subparagraph, point (b) of Regulation (EU) 2021/1060. (However, this option was **not available** in the Call for Proposals.)

Calculation of Administrative expenditure:

OPTION (A): As a flat rate of up to 15% of the eligible direct staff costs.

OPTION (B): As a percentage of the total eligible indirect costs (e.g. electricity, telecommunications, rent, etc.), based on a justified methodology.

OPTION (C): In accordance with the Call for Proposals and the Programme Manual (where restrictions may apply).

In the case of a flat rate, no supporting documents are submitted by the beneficiary, and the Controller only checks whether the cost calculation (percentage) complies with the approved AF.



Administrative expenditures

- The completion of office and administrative costs using the **flat rate** method must be done correctly, ensuring that there is a specific percentage of general (lump sum) overhead costs in relation to staff expenses, as approved in the Application Form and at the level of each deliverable.

This approach facilitates better management of “office and administration” expenditures in each request, rather than summing them up at the end of the project.

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IMPORTANT: When you report staff costs as deliverable , you must also report a corresponding amount of general overhead costs for that same deliverable.

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ELIGIBILITY OF EXPENDITURE
Staff Costs

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Regulatory Framework for Expenditure Eligibility

Regulatory Framework for Expenditure Eligibility FOR GREEK BENEFICIARIES

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"

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Regulatory Framework for Expenditure Eligibility

1. Regulatory Framework for Expenditure Eligibility FOR ALBANIAN BENEFICIARIES

2. Regulation (EU) 2021/1060: Articles 53 – 55

3. Regulation (EU) 2021/1059: Article 39 "Staff Costs"

1. LIGJ Nr.7961, datë 12.7.1995; KODI I PUNËS I REPUBLIKËS SË SHQIPËRISË (Ndryshuar me ligjin nr. 8085, datë 13.3.1996; nr.9125, datë 29.7.2003; nr. 10053, datë 29.12.2008; nr. 136/2015, datë 5.12.2015; nr. 91/2024, datë 26.7.2024)

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2. LIGJ Nr. 90/2012 PËR ORGANIZIMIN DHE FUNKSIONIMIN E ADMINISTRATËS SHTETËRORE



Staff Costs

ALB

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 project-based contract (contract for independent services) (GREEK BENEFICIARIES)



Staff Costs

ALB

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

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

2. 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 for⁴⁹ expression of interest and documentation of the selection and contract-signing process must be submitted.



Staff Costs

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 ⁵⁰**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**.



Staff Costs

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 works⁵¹ 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.



Staff Costs

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.

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Staff Costs

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

- 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.
- There must be documentation that at least one (1) person from the beneficiary is involved in the project (e.g. submission by the beneficiary of a contract, relevant decision by the beneficiary, payroll statement, etc., when this is carried out).



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.).



Cases of staff costs (real cost)

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

- The person works under the instructions of the beneficiary and, unless otherwise agreed, at the beneficiary's premises and/or the project implementation site.
- The result/deliverable of the work belongs to the beneficiary.
- 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.
- 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**.



Cases of staff costs (real cost)

!! 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**.
- 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**.



Cases of staff costs (real cost)

- 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 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 Programme (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. ⁶⁰
- ✓ **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 Programmed and the project acronym are clearly indicated.



PROCEDURES / POINTS TO AVOID

!!! 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).

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ELIGIBILITY OF EXPENDITURE
Travel and Accommodation costs

INTERREG VI-A IPA “Greece–Albania 2021-2027”

Info Day on Project Implementation

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Regulatory Framework for Expenditure Eligibility

1. Regulation (EU) 2021/1059: Article 41 “Travel and accommodation costs”

2. PRAG 2025:

https://international-partnerships.ec.europa.eu/funding-and-technical-assistance/guidelines/managing-intervention/diem-rates_en

Unit cost per distance band for air or combined air/rail travel (reference Commission Decision C(2024)5405)

https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/calculate-unit-costs-eligible-travel-costs_en#table-3-unit-cost-per-distance-band-for-air-or-combined-airrail-travel-reference-commission-decision-c20245405

3. UDHËZIM I PËRGJITHSHËM Nr. 26, datë 8.9.2023 PËR TATIMIN MBI TË ARDHURAT (fq 36)

https://www.qbz.gov.al/share/IzDahdS-T8ScevTj_WjZ_g

5. The Beneficiary’s regulatory framework (Internal regulation)



Regulatory Framework for Expenditure Eligibility

Regulatory Framework for Expenditure Eligibility for GREEK BENEFICIARIES

1. Regulation (EU) 2021/1059: Article 41 “Travel and accommodation costs”
2. Ministerial Decision 45820/17.5.2023 (Government Gazette 3281/B/17-5-2023) “Rules on expenditure eligibility, public procurement audit procedures, and the procedure for submitting and evaluating objections by beneficiaries of actions under the INTERREG 2021–2027 Programmes,” Article 16 “Travel and accommodation costs”
3. Subpar. Δ9 of par. Δ of article 2 of Law 4336/2015 (FEK A’ 94)
Joint Ministerial Decision 2/68332/ΔΕΠ (FEK B’ 2943/2016) regarding travel costs within the NSRF
5. The Beneficiary’s regulatory framework if the cost limits are lower from the national ones

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Travel Expenses

1. **Travel expenses** and in particular the cost of public transport tickets, the cost of mileage compensation due to the use of a privately owned or leased means of transport where permitted, the cost of tolls, the fare of a vehicle for travel by sea, the rental of a vehicle or the cost of using a public passenger car (taxi) where permitted,
2. **Accommodation expenses** for the recognised amount for each type of hotel unit or rented accommodation, and
3. The **daily allowance**, which is paid to the person travelling to cover the expenses incurred due to the person travelling and staying away from home for the performance of a service, are eligible, provided that the travel is necessary for the implementation of the operation, as provided for in the decision in accordance with the relevant institutional framework of the beneficiary.



Travel Expenses

It is checked whether the costs concern the staff related to the project (project team).

The following are taken into account for the documentation of the relevant costs:

1. The **invitation to participate, minutes of the meeting, list of participants with signatures for the days of the meeting.**
2. The **travel order/authorisation** in accordance with the beneficiary's institutional framework.
3. Travel diary of the person travelling/ **travel expense report, in accordance with the beneficiary's institutional framework**
4. **Tickets, ticket sales receipts and supporting documents for ticket payment, toll receipts.** In cases of use of an airplane, a **boarding pass** is also required.

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Travel Expenses

5. **Hotel invoices and hotel payment documents** for accommodation only (room service costs are not covered) and strictly for those travelling, who should be mentioned by name on the hotel invoice.
6. **Proof of payment** of off-site compensation (only for the institution's staff) in accordance with the beneficiary's institutional framework.
7. In cases of travel outside the Programme's eligibility area, the decisions of the approved Programme bodies justifying such travel must be submitted.
8. **If a travel is not described in the AF or in the Justification of Budget Cost, a relevant approval (e-mail) from the MA/JS is required for the approval of**

this action



Travel Expenses - Examples – Be careful

- In the agenda of a meeting/conference abroad, “lunch break” and “farewell dinner” are mentioned.
- Travel expenses of an external partner for participation in a technical meeting. What amount is eligible?
- Taxi expenses for travel from the airport to the hotel. What amount is eligible?

FLAT RATE

The travel and accommodation costs of an operation can also be calculated at a flat rate of up to 15% of the direct staff costs of the operation in question.

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ELIGIBILITY OF EXPENDITURE
External Expertise, Equipment and Infrastructure
INTERREG VI-A IPA “Greece–Albania 2021-2027”

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Regulatory Framework for Expenditure Eligibility

ALB

1. Regulation (EU) 2021/1059: Article 42 “External expertise and services costs”, Article 43 “Equipment costs” and Article 44 “Costs for infrastructure and works”
2. **Law No. 75/2024: “For the Ratification of the Financing Agreement between the Republic of Albania, represented by its Council of Ministers, the Hellenic Republic, and the European Commission, for the Cross-Border Cooperation Programme (Interreg VI-A) IPA Greece–Albania 2021–2027” , especially Annex II.**
3. PRAG 2025 and its annexes.
4. Albanian legislation on procurement of equipment and specific works contracting and implementation.

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Regulatory Framework for Expenditure Eligibility

ALB

Regulatory Framework for the Expenditure Eligibility for GREEK BENEFICIARIES

1. Regulation (EU) 2021/1059: Article 42 “External expertise and services costs”, Article 43 “Equipment costs” and Article 44 “Costs for infrastructure and works”

2. Ministerial Decision 45820/17.5.2023 (Government Gazette 3281/B/17-5-2023) “Rules on expenditure eligibility, public procurement audit procedures, and the procedure for submitting and evaluating objections by beneficiaries of actions under the INTERREG 2021–2027 Programmes,” Article 18 “External expertise and services costs”, Article 19 “Equipment costs” and Article 20 “Costs for infrastructure and works”

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Equipment costs

ALB

Expenses for the **purchase or rental** of equipment, **EXCEPT for those covered by GENERAL EXPENSES**, concern ONLY the following:

1. office equipment, b) IT hardware and software, c) furniture and related equipment, d) laboratory equipment, e) machinery and instruments, f) tools or devices, g) vehicles and h) other special equipment needed for the operations.
2. **Expenditure for the purchase of second-hand equipment** may be eligible, under the following conditions:
 - **no other aid** has been granted from the Interreg Programmes or from the funds listed in art 1(1)(a) of Reg.⁷² 2021/1060,
 - **its price does not exceed the price generally accepted on the market** in question and
 - the **equipment has the technical characteristics** required for the operation and complies with the applicable specifications and standards.



Expenditures for Depreciation

ALB

Expenditures for **depreciation of fixed** assets, for which payments have not been made on the basis of invoices, may be considered eligible if the following conditions are met:

1. the eligibility rules of the programme so permit,
2. the fixed assets are necessary for the implementation of the operation,
3. the amount of the expenditure is calculated using the appropriate accounting rules of the beneficiary, is recorded in its accounting system and is justified by supporting documents having equivalent probative value to invoices for eligible expenditure on the basis of real costs
4. the expenditure relates exclusively to the period of support of the operation and in particular to the period during which the fixed assets are used for the purposes of the operation.
5. **no public grants** have been used for the purchase of the depreciated assets.

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Expenditure on infrastructure and works

ALB

Expenditure on infrastructure and works concerns **ONLY**:

1. purchase of land in accordance with Art. 64(1)(b) of Reg. (EU) 2021/1060
2. building permits,
3. construction materials,
4. labour and special interventions (such as soil remediation, mine clearance),
5. special interventions (such as soil remediation, mine clearance).

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External expertise and service costs

ALB

External expertise and service costs relate to services provided by a public or private sector entity or by a natural person, **DIFFERENT from the beneficiaries of the operation.**

What constitutes external expertise can be found in article 42 of Reg. 2021/1059.



Tender procedures

ALB

For the purchase of equipment, the procurement of external expertise and services, as well as for the construction of infrastructure projects, the **provisions of EU law always apply.**

- Directive 2014/24/EU, on public procurement procedures repealing Directive 2004/18/EC,
- Directive 2014/25/EU, on procurement by entities operating in the water, energy, transport and postal services sectors repealing Directive 2004/17/EC,



Tender procedures

ALB

- Moreover, for the **ALBANIAN BENEFICIARIES** the provisions included in **Law No. 75/2024: “For the Ratification of the Financing Agreement between the Republic of Albania, represented by its Council of Ministers, the Hellenic Republic, and the European Commission, for the Cross-Border Cooperation Programme (Interreg VI-A) IPA Greece–Albania 2021–2027”**. **(ANNEX II) apply.**
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- For the **GREEK BENEFICIARIES** , the provisions of **Greek Law 4412/2016** on "Public Works, Supply and Service Contracts" (transposition of the Directives 2014/24/EU and 2014/25/EU) should also be followed.



Tender procedures

ALB

Expenditure **on works, supplies and services contracts** is eligible provided that the contracts are concluded in accordance with:

- The Beneficiary's institutional framework,
- the rules and principles as specified in the MCS Procedures and
- the Principles of "Sound Financial Management", "Equal Treatment" and "Transparency"

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Tender procedures

ALB

- Expenditure on works, supplies and services contracts incurred for the implementation of an operation, paid by the beneficiary and documented by invoices (or documents of equivalent probative value), proof of payment of the relevant amounts by the beneficiary, as well as by its accounting records, **are reimbursed on the basis of REAL COSTS.**
- For the **Verification** of the relevant expenditure **as legal and regular** in accordance with the public procurement procedure followed and the beneficiary's institutional framework ON the implementation of co-financed operations **all relevant documents must be submitted.**
- Attention should also be paid to **compliance** of the contract **with the PUBLICITY RULES** and the requirements of the Programme.

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Preparation costs

1. The costs incurred by beneficiaries for the preparation of operations are **eligible** provided that they are **included in the approved Application Form** and subsequently in the Subsidy Contract.
2. The eligibility of the preparation costs of the operation is **limited to the time limits** provided for in the rules of the INTERREG Programme and the relevant call for proposals.

Thankyou for your attention

Interreg Amalinda Bediava

Head of First Level Control Office

IPA CBC Greece-Albania Programme

State Agency of Strategic Programming and Aid Coordination | SASPAC

(A): Rruga e "Kuvajtit", Tiranë, Shqipëri | Albania

(T): +355 68 2000 550

(E):amalinda.bediava@saspac.gov.al