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# **Info-Day for the 2<sup>nd</sup> Call and 3<sup>rd</sup> Call for Project Proposals – Operations of Strategic Importance**

## **GREECE – ALBANIA 2021-2027**

Info Day on Project Implementation

**September 2025**

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

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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.



## 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**.



## 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.**



## 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



## 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 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**

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



## 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 methodology
- ✓ 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).
  
- **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.

## 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.

## 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 Declaration 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*

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