

Fact Sheet 20: Project Progress Reporting

Version	Valid from	Valid to	Main changes
Version 1	16.11.2021	-	n/a
Version 2	15.05.2024		<p>The fact sheet has been updated to reflect the clear expectations for projects when reporting costs. This relates specifically to a detailed explanation for the list of expenditure and when and how deductions are applied for overspending.</p> <p>In addition, the fact sheet now includes a section on the mid-term review. This includes the requirement of submitting a finance report in the reporting round relevant for the mid-term review.</p>

CORE MESSAGE

All projects will report regularly on their progress to the joint secretariat, and all project progress reports will be processed and paid within 80 days (provided that the European Commission has made the necessary funds available to the programme and no follow-up with the project is needed after initial submission). This fact sheet covers the basic rules, guidelines, and procedures for reporting. The procedure for small-scale project reporting is slightly different and this is described in fact sheet no 27.

Background

The purpose of this fact sheet is to give an overview of the procedures for project progress reporting on activities and claiming reimbursement for expenditure. More detailed information on the project progress reporting forms etc. referred to in this fact sheet is available on the programme website.

Objective of project progress reports

The main objective of the project progress reports is to monitor whether projects are on track with implementation (working toward the project overall objective, work package objectives, outputs and results, carrying out communication of activities and achievements, and sticking to budget).

Timing and number of project progress reports

It is expected that your project will report on a regular basis. Submission of the first report will be required no later than 12 months after the project has been approved. Following the first report, a progress report

will be required every six months. At least once per year, your project must submit a finance report, which includes a statement of expenditure and request for payment. Individual partners, however, may defer from submitting a claim in any given finance report, depending on whether they have incurred expenditure during that period (see below for more information).

Requirements for project progress reporting

There will be an activity progress report on partner and on project level. All partner and project level progress reports are submitted through the programme's online monitoring system (OMS).

- All sections of the project progress report must be completed before the form can be submitted.
- Every project-level finance report must include a finance report from every partner in the project – even if no funding is claimed by that partner. Project partners submitting a zero claim must enter this information in the online monitoring system (OMS) and the lead partner must explain why this has been done in the project progress report. This is to prevent unexplained periods of inactivity which might impact overall project delivery. Prolonged periods with zero claims from a partner may lead to a demand to report in order to avoid extended periods of expenditure without control.
- Projects must respect the deadline for submitting project progress reports. If a project is unable to meet a reporting deadline, the lead partner must contact the Joint Secretariat as soon as possible to ask for approval to submit the project progress report at a later stage. If a project does not meet the deadline and does not contact the Joint Secretariat, the project progress report will be considered invalid.
- Repeated failures to submit required project progress reports will raise concerns about the project management and may result in termination of the project. If a project does not submit a project progress report for one year, the project will be terminated, and procedures will be initiated to recover all funding previously paid out.
- No project partner will ever be paid more than their approved budget for the project. It is, however, possible to submit claims for higher amounts if all the additional expenditures also comply with all rules and regulations on eligibility.
- The Controller certificate must be filled out correctly and in full. An incomplete Control certificate will be rejected (please see Fact Sheet 23 on control of partner expenditure).
- Each project partner's Controller should maintain a record of all ineligible expenditure removed from the statement of expenditure and provide information on this in the Control checklist, including a clear statement of the amounts that have already been deducted and therefore fully resolved before submission of the project progress reports.

Division of work between lead partner and other project partners

Each partner completes a project progress report and, if relevant, a statement of expenditure covering its own activities and costs. These documents are checked by the partner's Controller and then submitted to the lead partner. The lead partner compiles the accumulated project progress report and statement of expenditure and submits the completed forms to the joint secretariat for review. All of this takes place in the

online monitoring system (OMS).

The partnership may agree additional requirements and deadlines for reporting as part of the Partnership Agreement (see Fact Sheet 15). It is the responsibility of the lead partner to ensure that the activity progress report on project level provides a thorough overview of project activities and achievements to date rather than a copy/paste of individual project partners' work.

The lead partner's Controller does not re-control the expenditure reported by the other project partners. This expenditure has already been subject to Control according to the standards established in each country and an additional check would be a duplication of effort. See Fact Sheet 14 on 'roles and responsibilities in project partnerships' for details of the lead partner's role and Fact Sheet 23 on Control of partner expenditure.

Content of project progress reports

Activity progress reports are required on both partner and project levels.

The activity progress reporting consists of the following fields:

- **Highlights (summary of main achievements)** – short description about the main highlights covering the actual reporting period
- **Overview of the achievement of outputs and results** – there are two sets of indicators the programme asks projects to measure to monitor their success and the positive effects they have had on the North Sea Programme area. These are called output and result indicators (please see Fact Sheet 22 intervention logic and indicators). A short description of your achievements is expected during this reporting round.
- **Project problems and deviations from the plans** – short justification for any delays or other deviations as described in the approved application form and the solutions found.
- **Description of the target group involvement** – short justification and explanation for each target group involved in your project during this reporting round
- **Overall progress on work package objectives** – activities carried out in the actual reporting period, including deliverables (optional)
- **Horizontal principles** – description of the contribution towards sustainable development, equal opportunities and non-discrimination and equality between men and women
- **Enclosures** – attachment of studies, reports / strategy papers, political agreements, adoption of new processes, new standards, new tools, number of solutions tested – either through physical testing or piloting of new approaches with relevant target groups.

The financial project progress report

A finance progress report (statement of expenditure and request for payment) both on partner level and on project level must be submitted to the secretariat at least once per year. Please note the content of the finance report follows the information provided in the application form.

All partners are obliged to create their list of expenditures in the Online Monitoring System when reporting costs. The list of expenditure should list all cost items booked in the partner's own accounting system with a unique reference number/code. Costs should, under no circumstances, be grouped when the list of expenditure is created.

Processing of projects progress reports

Once a completed project progress report is submitted, the Joint Secretariat has 80 days to process the report¹ and make a payment to the lead partner, subject to availability of funds from the European Commission. If additional information is required to complete processing of the report and/or make a payment, the 80-day clock will be paused until a satisfactory reply is received from the lead partner.

Processing of progress activity reports focuses on whether the project is progressing in line with the application, whether there is progress on outputs and results, whether the report reflects the activities of the entire partnership, and whether any implementation problems are being dealt with satisfactorily. The Joint Secretariat also uses the progress report to extract data and stories for programme reporting and communication.

If the information in the progress report is incomplete or unsatisfactory but is sufficient to approve the progress report and make a payment, the project will be asked to provide additional information with the next progress report.

Processing of claims for payment focuses on whether financial Control has been properly completed and documented, whether any necessary corrective actions have been taken and documented, and whether the costs presented for payment after Control comply with all rules and regulations.

If questionable expenditure is identified, it will be deducted from the amount claimed until the issue is resolved. In case there are open questions regarding the finance claim, the project will be asked for clarification. If relevant, the Joint Secretariat may contact individual project partners and/or their Controller for verification of outstanding issues. In this particular circumstances the lead partner must be involved in all correspondence. If this cannot be provided within a period of 15 working days, payment of the amount concerned will be suspended until the issue has been satisfactorily resolved (typically with the next claim for payment).

The project grant consumption will be monitored at the level of the total partner budget. This implies that if the total costs submitted and claimed by one project partner exceed their budget in the approved application form a deduction will be applied. The deduction will be calculated as the difference between the reported expenditure and the approved partner budget. This type of deduction will be applied before any eventual second level or deductions for irregularities are applied.

¹ In accordance with Common Provisions Regulation 2021/1060 Article 74 (1b).

When the quality assurance process is complete, the lead partner will receive a concluding letter on the progress report and the claim for expenditure (if relevant). The letter may contain additional conditions for the next progress report. Processing of the next progress report will not be completed until all open conditions have been met or a satisfactory explanation has been provided for any delays in meeting conditions.

Payment of the amount claimed by the project will be made to the lead partner, who is required to distribute the funds to the project partners without delay². In practice this means that the lead partner has a maximum 15 days to transfer the relevant share of ERDF/ERDF equivalent (e.g. Norwegian funding) to each project partner.

Mid-term review

The mid-term review is a procedure approved by the programme's Monitoring Committee. The purpose of the procedure is to establish whether a project is on track with their implementation at the half-way point in their lifetime, which fulfill the needs of the project contract article 5(3). The application form provides the framework for the review, and the project's ambitions, as laid out in the application, are compared to what the project has accomplished, in terms of spending and activities, by the mid-term.

The report which serves as the basis for the mid-term review is the first report submitted after the mid-term date of the project. This report will, in most cases, not cover the entire period until the mid-term date; however, the secretariat will make use of this report in order to have a common point of departure for the review. The project-level finance report for this report must include a non-zero financial claim from all project partners.

The Joint Secretariat will assess each project's mid-term progress based on the following categories;

- Spending level
- Activity implementation
- Link between finance and activity implementation
- Large equipment/infrastructure purchase(s) made
- Achievements of output and results Indicators

Retaining documents

It is essential that all partners retain all the supporting documentation for each report for a 5-year period from 31 December of the year in which the final payment by the managing authority to the lead partner has been made.³

² In accordance with Common Provisions Regulation 2021/1060 Article 88(2).

³ In accordance with Common Provisions Regulation 2021/1060 Article 82(1).