

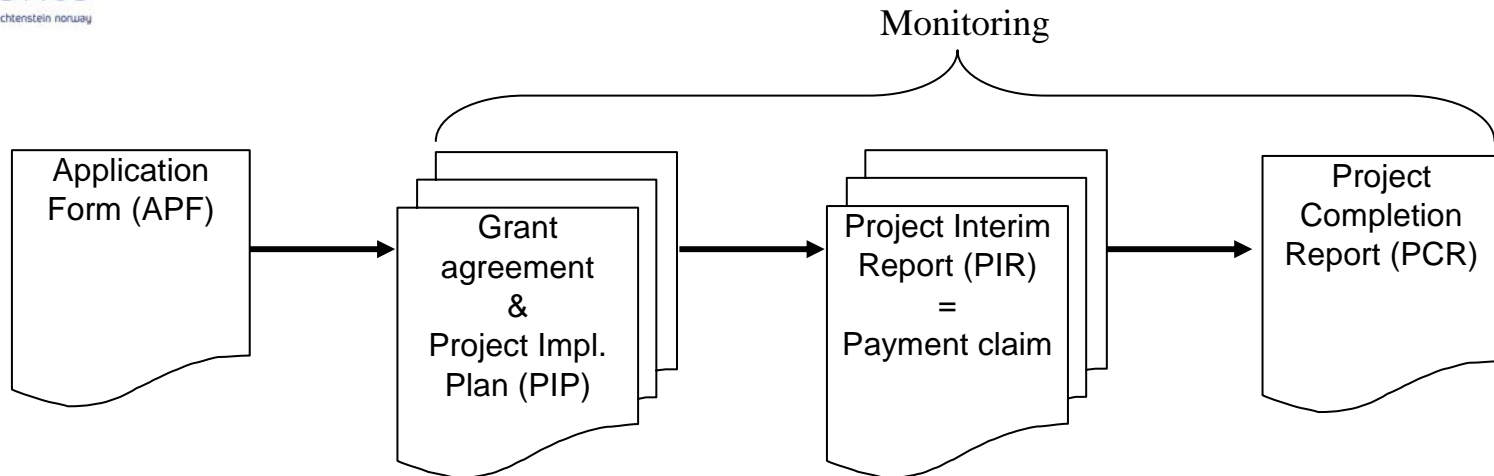
EEA FINANCIAL MECHANISM

Project Reporting

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Reporting structure

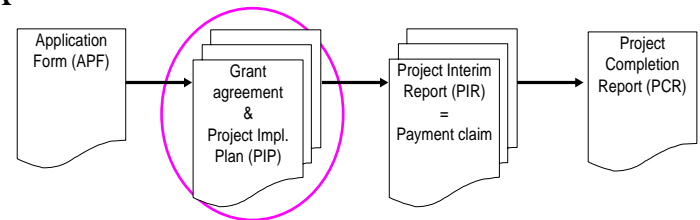


- Reporting structure in conformity to the legal framework (Rules and Procedures, guidelines)
- Reporting templates are standard Excel workbooks designed by the FMO
- The electronic format of the PIP, PIR and PCR is prepopulated by the FMO based on data available
- The Promoter will receive the PIP, PIR and PCR from the FMO through the Focal Point by e-mail
- The reporting templates will be filled out by the Promoter and returned to the FMO through the Focal Point and Paying Authority
- Both electronic format and signed hard copy of the PIR and PCR must be forwarded to the FMO, the Focal Point must ensure that hard copy and electronic format are identical
- Reporting templates to be used for any type of project assistance (individual projects, funds)

PIP & PIR definitions

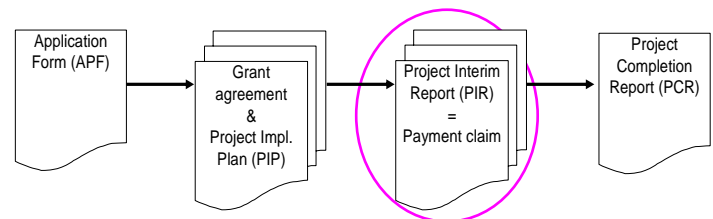
Project Implementation Plan (PIP)

- Important part of the legal framework: annex II of the GA
- Representation of the project in a structured format
- Includes plan of the financial flow of the project
- Serves as project baseline for reporting
- Living document during the whole project life



Project Interim Report (PIR)

- Serves as a payment claim for already incurred expenses
- Serves as a status report on project progress
- Paying Authority certifies payment claim
- Focal Point certifies project progress
- FMO makes disbursement based on approved PIR



The PIP procedure

- The FMO captures the most important project parameters, such as:
 - total project cost, eligible cost, grant amount and grant rate awarded
 - advance payment and offset mechanism awarded
 - estimated project completion date
 - number of project activities
- The Focal Point / Promoter confirms parameters before a PIP is generated
- The FMO generates a tailor-made PIP template for the project and sends it to the Focal Point by e-mail together with the Grant Offer Letter
- After filled out by the Promoter, the Focal Point returns the PIP to the FMO by e-mail to the following e-mail address: **pip@efta.int**
- The PIP validated by the FMO is annexed to the Grant Agreement
- The Grant Agreement documentation is sent by post to the Donors and the Focal Point for signature
- The PIP imported to the FMO grant management system will serve as baseline for reporting

Structure of the PIP (1)

- **Project Promoter**
 - Details of the Project Promoter prepopulated based on data stored by the FMO
- **Part I – Project Summary**
 - Fields prepopulated based on data captured during the appraisal and grant decision procedure
 - Fields calculated based on underlying tables in parts IV and V of the PIP
- **Part II – Financial Breakdown**
 - Same budget and financial resources tables as in the Application form
 - Only cash eligible expenses for each expense category per calendar year to be included
 - Financial resources and summary tables calculated automatically from the budget (part II), the expenses assigned to project activities (part IV) and the disbursement plan (part V)
- **Part III – Project Indicators**
 - Same table as in the Application form
 - Prepopulated based on data captured during the application and appraisal procedure

Structure of the PIP (2)

- **Part IV – Project Activities**
 - Appropriate number of activities prepopulated
 - Activity title, description and planned start/completion date to be filled out by the Promoter
 - Activity budget for each activity including cash eligible, in-kind eligible and non-eligible expenses to be completed by the Project Promoter
 - Activity budget table is established in three months intervals between the Donors' commitment date and planned project completion date, synchronised to the calendar year
- **Part V – Disbursement Plan**
 - Total advance payment and advance offset mechanism prepopulated based on grant decision
 - PCR retention amount prepopulated based on grant decision
 - Source and type of co-financing to be specified by the Promoter
 - Reporting periods to be selected by the Promoter – each period must cover min. 3 and max. 12 months
 - Reporting period selection will dictate when a PIR is expected to be submitted
 - Automatic calculation of disbursements and required co-financing based on project budget aggregated across the data entered for individual activities and selection of reporting periods

Structure of the PIP (3)

- **Part VI – Project Revenues**
 - Same table as in the Application form
 - Revenue, operating expense and brief description of revenue to be filled in by the Promoter
 - Standard profit margin figure provided by the FMO
 - Excess profit calculated automatically
 - Part VI will exist only if the project is revenue generating

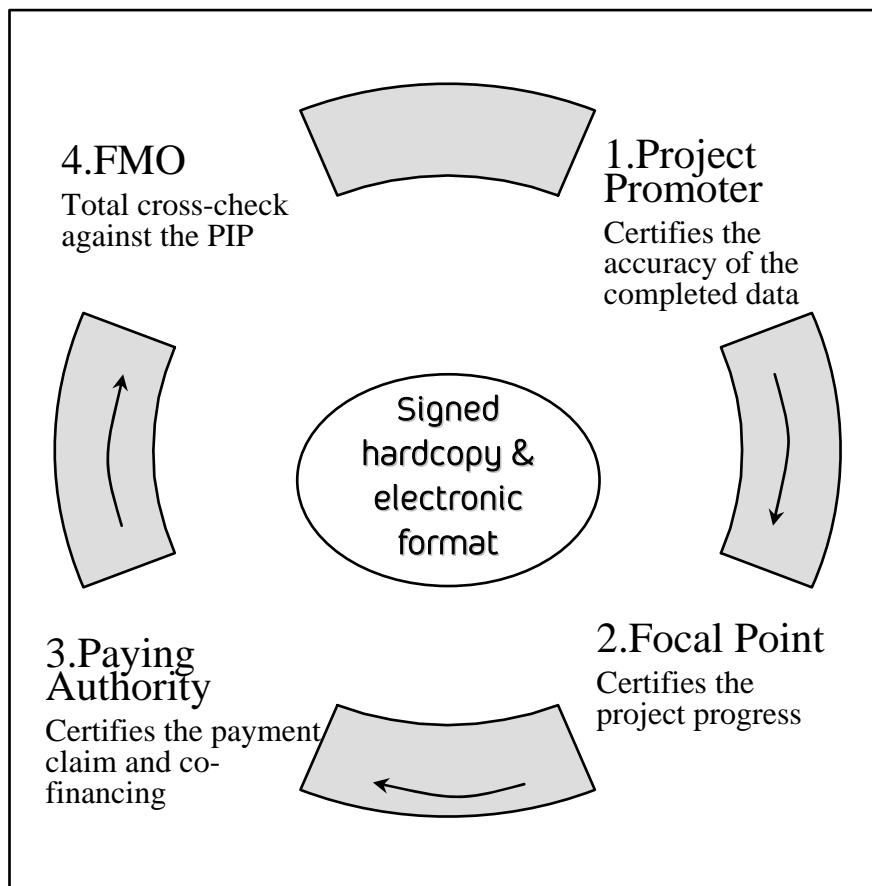
Project amendments

- Modification to the project may require a revised PIP according to article 5.1 of the Grant Agreement (previously article 4.2 of the Terms and Conditions)
- The Promoter submits a project amendment request through the Focal Point
- The Focal Point must approve the amendment request before submitting it to the FMO
- If changes are related to number of activities or estimated project duration, this information has to be communicated to the FMO
- The FMO Project Amendment Group (PAG) or Donors approve or reject the amendment
- If the amendment is approved, when appropriate the FMO issues a new PIP template containing actual figures to date and sends it to the Focal Point
- Revised PIP filled out by the Project Promoter shall be submitted no later than 60 days before the end of the first affected reporting period
- The updated PIP validated by the FMO will serve as new project baseline

The PIR procedure (1)

- At the beginning of the last month of each reporting period indicated in the PIP, the FMO generates a tailor-made PIR template for the project and sends it to the Focal Point
- The FMO will not generate and send a scheduled PIR if
 - The PIR for the previous reporting period has not yet been received and approved by the FMO
 - Previous PIR indicates that the project is already 100% complete
- The Focal Point forwards the PIR to the Promoter
- The Promoter fills out the PIR and submits both the electronic version and the signed hard copy to the Focal Point
- The Focal Point certifies project progress, and forwards both the electronic and signed hard copy to the Paying Authority
- The Paying Authority certifies the payment claim and co-financing, and submits both the electronic version and signed hard copy to the FMO
 - E-mail address: pir@efta.int
 - Postal address: EFTA, Financial Mechanism Office
12/16, Rue Joseph II
1000 Brussels, Belgium
- The PIR imported to the FMO grant management system is cross checked against the PIP, and consecutive action is decided

The PIR procedure (2)



Structure of the PIR (1)

- **Project Promoter**
 - Details of the Project Promoter prepopulated based on data stored by the FMO
- **Part I – Signature**
 - Project Promoter certifies the correctness and accuracy of the PIR
- **Part II – Project Summary**
 - General project data and planned expenses prepopulated based on the PIP
 - Actual total expense and project expenses funding summary calculated based on underlying tables in the PIR (part IV)
 - Significant deviations from plan, project actual start date and estimated completion date, and project estimated % complete to be described by the Promoter
- **Part III – Payment Claim and Cash Co-financing**
 - Claim period and payment claim number prepopulated based on the PIP
 - Financial Mechanism grant and co-financing calculated based on underlying tables in the PIR (part IV)
 - Paying Authority certifies the payment claim, the co-financing to be committed in actual reporting period, and the co-financing that has been committed in previous reporting period

Structure of the PIR (2)

- **Part IV – Project Progress and Indicators**
 - General data and planned expense in relation to each activity prepopulated from the PIP
 - Significant deviations from plan, estimated/actual start and completion date, and activity estimated % complete to be described by the Promoter
 - All incurred cash eligible, in-kind eligible and non-eligible expenses are entered by the Promoter in national currency on a monthly basis along the reporting period covered
 - Exchange rate provided in the PIR template by the FMO according to guidelines, and expenses are automatically converted to euros
- **Project Indicators**
 - Reporting required only on results level
 - Description of objective, indicator, baseline and target prepopulated from the PIP
 - Cumulative value from project start to be filled out by the Project Promoter
- **Part V – Cross-Cutting Issues and Risk Analysis**
 - To be completed only once per calendar year, in the PIR including December
 - Descriptive summary of contribution towards relevant cross-cutting issues during the year
 - Identification of any new types of risk, new measures, change in likelihood or impact of risks
- **Project Progress Sign-off**
 - The Focal Point certifies the contents of the PIR and project progress

The PCR procedure

- The FMO generates a tailor-made PCR template for the project after approving the last PIR and sends it to the Focal Point
- The Focal Point forwards the PCR to the Promoter
- The Promoter fills out the ‘Promoter’ sheet of the PCR and submits both the electronic version and the signed hard copy to the Focal Point
- The Focal Point fills out the ‘Focal Point’ sheet, certifies the contents of the PCR and project progress, and forwards both the electronic and signed hard copy to the Paying Authority
- The Paying Authority certifies co-financing that have been committed in the last reporting period, and submits both the electronic and signed hard copy to the FMO

E-mail address: pcr@efta.int

Postal address: EFTA, Financial Mechanism Office
12/16, Rue Joseph II
1000 Brussels, Belgium

- The PCR imported to the FMO grant management system is cross checked against the PIP, and consecutive action is decided

Structure of the PCR (1)

- **Project Promoter**
 - Details of the Promoter prepopulated based on data stored by the FMO
- **Part I – Project Summary**
 - General project data, planned versus actual project start and completion date
 - Total amount retained for PCR approval
- **Part II – Cash Co-financing**
 - The Paying Authority certifies the cash co-financing that has been committed to the project in the last PIR
- **Part III – Financial Progress**
 - The Promoter sums up the incurred eligible expenses across all project activities over the project implementation period
 - The Promoter converts the local currency into euro using the exchange rate associated with to the month in which the expense was incurred - the relevant exchange rates are provided on the separate ‘Exchange Rate’ sheet of the PCR
 - If the project is revenue generating, the Promoter shall report on any revenue minus operating expenses subject to the period
- **Part IV - Project Indicators**
 - An outline of overall achievement with respect to the planned project indicators as defined in the PIP

Structure of the PCR (2)

- **Part V – Cross-Cutting issues**
 - The Promoter describes the achievements towards the relevant cross-cutting issues
- **Part VI – General conditions and post-completion obligations**
 - The Promoter outlines how the project has fulfilled the conditions outlined in the Grant Agreement
- **Part VII – Lessons learned and recommendations**
 - Requires the Promoter to mediate any relevant lessons learnt during project implementation and highlight areas that might be beneficial for future ventures of similar nature
- **Part VIII – Project Promoter signature**
 - The authorised person for the Promoter certifies the correctness and accuracy of the PCR
- **Part IX – Summary statement by the Focal Point**
 - The Focal Point summarises the project in its whole with respect to overall project implementation
- **Part X – Focal Point Signature**
 - The Focal Point certifies the contents of the PCR

Financial flow

- Approved advance payments, PIRs and PCR's are put into a disbursement folder at the FMO
- A bank transfer order with a specification will be prepared and sent to the bank for execution
- A copy will be sent to the Paying Authority and Focal Point
- The Paying Authority must further disburse to the end-beneficiary within an agreed number of days
- Before the 15th of each month the Focal Point must notify FMC/NMFA of the transfers made in the previous month

Practical hints

- Common formal / technical errors
 - Respect the size of fill-in text boxes
 - Avoid using decimals in financial tables
 - Copy and past special, otherwise structure of template is broken
- Selection of appropriate budget headings
- Selection of appropriate number of activities
- Link between amounts under budget headings and activities
- Selection of length of reporting periods (especially the first reporting period)
- Follow-up on pre-disbursement conditions and relevant general conditions in GA
- Project completion date – both physical and financial completion
- Report expenses in period in which they have incurred (i.e. goods delivered / services performed, invoiced, paid)
- Catch up delays by merging reporting periods
- Cost overruns and exchange rate differences to be reported as eligible expenses
- Timely communication of modifications (before affected PIR is generated)